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Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

1 July 1995-30 June 1996

General Assembly
Official Records • Fifty-first Session
Supplement No. 13 (A/51/13)

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LETTER OF TRANSMITTAL

22 September 1996

Sir,

I have the honour to submit to the General Assembly my annual report on the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the period 1 July 1995 to 30 June 1996, in compliance with the request contained in paragraph 21 of resolution 302 (IV) of 8 December 1949 and with paragraph 8 of resolution 1315 (XIII) of 12 December 1958.

With the completion of the move of UNRWA headquarters to the area of operations, the Agency is again fully located in the region, where developments, both positive and negative, have direct and indirect impact on the Agency's operations.

In the introduction in chapter I, I have summarized developments and special initiatives in the context of UNRWA's work in Jordan, Lebanon, the Syrian Arab Republic and the West Bank and the Gaza Strip. I have made reference to the peace process and the changes that ensued in the West Bank and the Gaza Strip. The Agency's structural deficit and its implications for the quality and level of Agency services for Palestine refugees continued to be the cause of great concern, with an extraordinary meeting of major donor and host Government representatives scheduled for 23 September to confront the problem.

Chapter II contains information on the Agency's three main programmes in education, health and relief and social services; on subprogrammes in income-generation and job-creation; and on the Agency's Peace Implementation Programme, introduced in the context of the peace process.

Chapter III discusses financial matters, with special reference to the current financial situation.

Chapter IV deals with legal matters, in particular those concerning Agency staff, services and premises, including the effect of closures of the West Bank and Gaza Strip on the movement of Agency staff.

Chapter V refers to Agency activities and operations in Jordan; chapter VI deals with Lebanon and chapter VII with the Syrian Arab Republic. Chapter VIII relates to the West Bank and chapter IX to the Gaza Strip.

The annexes provide statistical and financial information related to the work of UNRWA and references to pertinent records of the General Assembly and other United Nations bodies.

Following established practice, the annual report in draft form was distributed to the 10 members of the Advisory Commission in advance and relevant comments and observations were given careful consideration. The draft report

President of the General Assembly
United Nations
New York

was discussed with the Commission at a meeting held at Amman on 22 September 1996. The Commission's views are contained in a letter addressed to me, from the Chairman of the Advisory Commission. A copy of the letter follows.

I have maintained the practice of showing my report in draft form to representatives of the Government of Israel and giving due consideration to their comments, both in the context of the situation prevailing in the West Bank and the Gaza Strip since 1967 and subsequent developments. In connection with the General Assembly's decision in 1994 that the Advisory Commission establish a working relationship with the Palestine Liberation Organization, a representative of the PLO attended the meeting of the Commission on 22 September and a copy of the draft report was also shared with him.

Accept, Sir, the assurances of my highest consideration.

(Signed) Peter HANSEN
Commissioner-General

LETTER DATED 22 SEPTEMBER 1996 FROM THE CHAIRMAN OF THE ADVISORY COMMISSION OF THE UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST ADDRESSED TO THE COMMISSIONER-GENERAL

Dear Commissioner-General,

At its regular meeting on 22 September 1996, the Advisory Commission of UNRWA considered your draft annual report on the Agency's activities and operations during the period 1 July 1995 to 30 June 1996, which is to be submitted to the General Assembly at its fifty-first session.

The Advisory Commission expressed great appreciation for UNRWA's programmes of assistance for 3.3 million Palestine refugees in Jordan, Lebanon, the Syrian Arab Republic and in the West Bank and the Gaza Strip.

While confirming its support for the Middle East peace process, the Advisory Commission expressed concern over the slow pace of developments in the peace process and the failure to achieve a just, lasting and comprehensive peace in the region. The Advisory Commission also expressed its concern over the lack of progress in finding a just solution of the Palestine refugee issue in accordance with relevant United Nations resolutions and the failure to begin the final status negotiations, including those related to the issue of refugees.

In addition, the Commission hoped that with a resumption of progress in the Middle East peace process, there would be a possibility to tackle essential issues.

In particular, the Commission noted the effects of the prolonged closures imposed by the Israeli authorities on the economy and the Palestinian people in the West Bank and the Gaza Strip, and requested the Israeli authorities to lift those restrictions.

The Advisory Commission expressed its dismay at the negative impact on the Agency's operations of measures imposed by the Israeli authorities, as detailed in the annual report. Of particular concern to the Commission was the worsening in the socio-economic conditions of Palestine refugees in the Gaza Strip and the West Bank as a result of those measures.

The Advisory Commission viewed with extreme gravity the structural deficit facing the Agency and expressed great concern over its negative impact on the quality and level of services to Palestine refugees. Furthermore, it was of the view that if immediate and comprehensive solutions were not found to the financial problems facing the Agency and the budget deficit remained uncovered, the negative implications of the deficit would be critical and dangerous.

The Commission took note with great concern of your report on UNRWA's financial crisis. It endorsed your call for the extraordinary meeting scheduled for 23 September and expressed the hope that at that meeting, at the General

Mr. Peter Hansen
Commissioner-General
United Nations Relief and Works Agency
for Palestine Refugees in the Near East

Assembly's consideration of the UNRWA item, or at the latest at the Pledging Conference, the international community as a whole, actual and potential donors, would take decisions that would solve the Agency's critical financial crisis.

The Commission was of the opinion that any actual or perceived weakening in the support traditionally given by the international community to the Palestine refugees, especially through UNRWA, would have very negative consequences. The Advisory Commission reiterated the importance of the continuing provision of the Agency's services in all fields of operations until a just settlement of the Palestine refugee issue was achieved.

The Commission urged UNRWA to further its efforts to develop appropriate strategies for fund-raising, including implementation of proposals made during the joint meeting of representatives of the Advisory Commission, major donors and host Governments held at Amman in May 1996, in order to increase contributions to the Agency to cover the budget deficit, as well as for the completion and operation of the European Gaza Hospital on time.

On other matters, the Advisory Commission expressed appreciation to the host Governments for the services provided to Palestine refugees and noted with approval the closer cooperation between the Agency and the Palestinian Authority and between the Agency and the host Governments.

The Commission noted with interest the management review and organizational changes being introduced by you and looked forward to further consultations on those issues.

In conclusion, the Advisory Commission wished to express its great support for your leadership of the Agency at a difficult time and wished also to reiterate its appreciation for the work of your predecessor, Mr. Ilter Türkmen, in the preceding five years. The Commission also wished to commend all the Agency staff who have continued to provide services for the Palestine refugees, often in exceedingly difficult circumstances.

(Signed) Mohammed ABU ZARAD
Chairman of the Advisory Commission

I. INTRODUCTION

1. The operations of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) during the period from 1 July 1995 to 30 June 1996 continued to emphasize support for the Middle East peace process and improvement of socio-economic conditions within the Palestine refugee community. In that context, the Agency developed its relationship with the Palestinian Authority by improving technical coordination, furthering harmonization of services and providing ad hoc assistance within available means. The period under review was also a time of significant transition for UNRWA, with developments in a number of areas that would have ramifications for Agency operations in the short and longer term. The peace process took an important step forward with the redeployment of Israeli forces in the West Bank and the holding of Palestinian elections, only to face a setback following an escalation in violence against Israelis in early 1996 and the imposition by the Israeli authorities of a prolonged closure of the West Bank and Gaza Strip. This and other Israeli security-related restrictions interfered with Agency operations in those fields, particularly as the Agency completed the historic relocation of its headquarters to its area of operations. The Agency's financial position grew increasingly serious, with a fourth consecutive, now structural, deficit foreseen for 1996 and financing for the Agency's regular programmes coming under increasing strain. The Agency's mandate was extended by the General Assembly in its resolution 50/28 A of 6 December 1995 until 30 June 1999. In January 1996, the Secretary-General designated Under-Secretary-General Peter Hansen as the Agency's eleventh Commissioner-General, upon completion of the term of service of Mr. Ilter Türkmen. The new Commissioner-General was appointed as the United Nations designated official responsible for the overall security and protection of United Nations staff and family members in Israel, the West Bank and the Gaza Strip. As a matter of priority, the Commissioner-General embarked on a management review aimed at improving the Agency's ability to operate within a changing environment.

2. Through its regular programmes of assistance, UNRWA provided essential education, health and relief and social services to 3.3 million Palestine refugees registered with the Agency in Jordan, Lebanon, the Syrian Arab Republic, and the West Bank and Gaza Strip. The Agency's 637 schools accommodated 421,854 pupils primarily at the elementary and preparatory levels during the 1995/96 school year, with 4,624 training places offered at the eight Agency training centres and 1,455 through the Educational Sciences Faculty. Merit-based university scholarships were awarded to 943 Palestine refugee students. The Agency's network of 123 out-patient facilities handled 6.6 million patient visits. In addition to the services provided at the 43-bed Qalqilia hospital in the West Bank, secondary care was provided through contractual agreements with non-governmental and private hospitals or through partial reimbursement of costs of treatment. The Agency continued to emphasize family health as part of its regular health programme, and its practical midwifery programme at the Gaza College of Nursing was the only one of its kind in the Gaza Strip.

3. Environmental health services including sewage and refuse disposal, waste water management and provision of clean drinking water were provided to over 1 million refugees residing in 59 camps. The Agency continued to play a leading role in planning for sustainable development in the environmental health sector and implementation of large-scale projects to improve sanitation. The special hardship programme served 179,178 of the neediest refugees, providing them with food rations, medical care subsidies and additional need-based assistance,

including shelter rehabilitation, emergency cash grants, poverty alleviation initiatives and preferential access to training centres. As the full amount of commodities traditionally donated for the special hardship programme was no longer forthcoming, the Agency undertook negotiations with donors to find a solution. A range of social services was provided to over 25,000 refugees through the 125 women's programme, community rehabilitation and youth activity centres sponsored by UNRWA. The income-generation programme had by mid-1996 provided loans valued at $11 million to 2,545 enterprises, achieving repayment rates in excess of 95 per cent. In the Gaza Strip, where the Agency's efforts were concentrated, the programme was regarded as the most successful of its kind and the largest single source of investment in the private sector.

4. UNRWA's commitment to supporting conditions in which the peace process could succeed was most clearly demonstrated in its Peace Implementation Programme (PIP), which continued to grow rapidly thanks to generous donor support. Established in 1993, PIP sought to make the results of the peace process felt at the local level through a comprehensive investment programme that would improve infrastructure, create employment and enhance socio-economic conditions within the refugee community in the five fields of operation. With receipt of $68.9 million in pledges and contributions during the reporting period, the Agency had by mid-1996 received a total of $192.6 million in pledges and contributions under PIP, of which $159.4 million were for projects in the West Bank and Gaza Strip and $33.1 million for projects in Jordan, Lebanon and the Syrian Arab Republic. PIP funding enabled the Agency to embark on a wide-ranging programme of infrastructure development in support of the Agency's regular programmes, including construction and upgrading of schools, training centres, health centres, community centres and auxiliary facilities, as well as the European Gaza Hospital and the College of Nursing and Allied Health Sciences. PIP also supported diverse activities including rehabilitation of refugee shelters, provision of sewerage and drainage systems in camps, expansion of income-generation and job-creation initiatives, support for health services and special initiatives such as an after-school recreation programme.

5. Benefits were derived not only from the facilities and services that were the end result of PIP projects but also through ancillary support to the local economy through use of local contractors, labour, goods and services. For example, in one project to enhance solid waste disposal facilities in the Gaza Strip, the Agency contracted with local enterprises to manufacture refuse containers and truck bodies for refuse collection vehicles instead of importing those items from outside Gaza. The unprecedented level of project activity made possible under PIP was beginning to represent an increasingly large part of all Agency activities on the ground, as many projects funded in earlier periods moved into the implementation phase. Taken in their entirety, the activities funded under PIP constituted a decisive contribution to the physical infrastructure and human resources available to the Palestinian Authority and the Palestine refugee community in the short term and for the future.

6. The first half of the reporting period was marked by continued progress towards realization of the goals articulated in the Declaration of Principles on Interim Self-Government Arrangements, signed by the Government of Israel and the Palestine Liberation Organization (PLO) on 13 September 1993, followed by the Agreement on the Gaza Strip and the Jericho Area of 4 May 1994 and the Agreement on the Preparatory Transfer of Powers and Responsibilities of 29 August 1994. On 27 August 1995, the parties signed the Protocol on Further Transfer of Powers and Responsibilities, under which responsibility for eight civil spheres in the West Bank was provisionally transferred from the Israeli military government and

its Civil Administration to the Palestinian Authority, furthering the gradual process of empowerment of the Authority.

7. The three implementation accords were superseded by the Interim Agreement on the West Bank and the Gaza Strip, signed by the parties on 28 September 1995, which ushered in a new phase of the peace process. The Interim Agreement provided for the redeployment of Israeli forces in the West Bank and the broadening of Palestinian self-government by means of an elected Palestinian Council, with legislative and executive powers in the West Bank and Gaza Strip during the transitional period. Pursuant to the agreement, the first phase of redeployment of Israeli forces out of the West Bank cities of Bethlehem, Jenin, Nablus, Qalqilia, Ramallah and Tulkarm, as well as some 450 towns and villages, took place in November and December 1995. The Palestinian Police Force assumed security responsibilities in evacuated areas, and joint security committees were established to coordinate between Palestinian and Israeli forces. Prisoner releases were carried out in October 1995 and January 1996 in partial fulfilment of the terms of the Interim Agreement. Concurrently, thousands of employees of the Palestinian Authority and their families, many of whom were refugees, entered the West Bank and Gaza Strip during the reporting period. The quadripartite committee on the modalities of admission of persons displaced from the West Bank and Gaza Strip in 1967, comprising the Palestinian Authority and the Governments of Egypt, Israel and Jordan, also met several times at the technical level.

8. As a result of the Interim Agreement, for the first time since 1967 most Palestinians in the West Bank were no longer in direct contact with Israeli forces and were largely able to manage their own affairs. The agreement established separate zones within the West Bank, each with a different division of responsibility for security and civil affairs. In area A, comprising the six cities where Israeli forces had redeployed, the Palestinian Council would be given full responsibility for internal security and public order, as well as full civil responsibilities. Joint Palestinian-Israeli patrols were to operate on designated roads in area A. In area B, comprising the Palestinian towns and villages in the West Bank, the Council would be granted full civil authority and charged with maintaining public order, while Israel would have overall security control. In area C, comprising the unpopulated areas, areas of strategic importance to Israel and the Jewish settlements, Israel would retain full responsibility for security and public order. In general, Israel would continue to carry responsibility for the overall security of Israelis, for the purpose of safeguarding their internal security and public order. Further redeployment from area C and transfer of internal security responsibility in areas B and C were to be carried out in three phases over an 18-month period, to begin after the inauguration of the Palestinian Council. Of the 19 refugee camps, eight were located in area A, six in area B, one in area C, and one in Jerusalem; three camps were divided between area A and other areas. The Agency's ability to provide services during periods of closure varied from area to area.

9. The holding of elections for the Palestinian Council on 20 January 1996 was another milestone in the peace process. The elections were envisaged as a significant interim preparatory step towards the realization of the legitimate rights of the Palestinian people and their just requirements, and would provide a democratic basis for the establishment of Palestinian institutions. UNRWA supported the election process in several ways. The Agency assisted the European Union's election unit to set up its Gaza regional office and loaned it communications equipment. Some Agency schools in the West Bank and Gaza Strip were closed for two weeks in November 1995 to enable teachers to assist with voter registration, and draft electoral registers were displayed in Agency

facilities in December 1995. In the days preceding the elections, UNRWA provided assistance to transport election material, including polling booths, ballot boxes and other supplies, from the West Bank to the Gaza Strip, and distributed it to polling stations. A total of 93 Agency installations in the Gaza Strip and 62 in the West Bank, the majority of them schools, were made available for the voting. Following successful elections, in which voter participation was high and polling took place without major irregularities, the inaugural session of the Palestinian Council took place on 7 March 1996. The establishment of elected Palestinian public institutions was a welcome development which reinforced the achievements of the peace process thus far and would, the Agency hoped, provide expanded opportunities to strengthen the partnership between the Palestinian Authority and UNRWA.

10. Despite the tragic assassination of the Prime Minister of Israel in November 1995 and an escalation in violence late in the year, an atmosphere of optimism continued to prevail with respect to the peace process, and there appeared to be general consensus regarding its future course. The crisis precipitated by the series of bomb attacks by Palestinians in February and March 1996, in which 56 Israelis were killed, reversed that momentum. The Israeli Government subsequently announced the indefinite postponement of Palestinian-Israeli negotiations, began carrying out plans for the separation of the West Bank from Israel, and imposed a strict closure on the West Bank and Gaza Strip. Implementation of key aspects of the Interim Agreement was consequently delayed. The redeployment of Israeli military forces in Hebron, due to be completed by March 1996, was postponed indefinitely and had not taken place as of mid-1996. The permanent status negotiations, which, inter alia, were to include the issue of refugees, opened formally at Taba in Egypt on 5 May 1996, but had not commenced in substance by the close of the reporting period. In mid-1996, the peace process was stalled and the nature and timing of future steps, including the question of further redeployments, remained unclear. Certain developments after the end of the reporting period led the Agency to hope that official negotiations on the peace process would soon resume.

11. There was a marked decline in clashes between Palestinian civilians and Israeli forces in the West Bank during the period under review, particularly following the redeployment of Israeli forces from Palestinian population centres in late 1995. Nonetheless, an atmosphere of tension remained and the Israeli authorities continued to impose a variety of measures, in explanation of which security considerations were invariably invoked. In the West Bank, 10 houses were demolished and one was sealed for security reasons, including two refugee shelters demolished and one sealed in Fawwar refugee camp; 56 houses were also demolished for lack of building permits. Israeli forces continued to mount arrest campaigns directed at Palestinians suspected of involvement in violence against Israelis or of opposition to the peace process, arresting some 1,200 Palestinians in areas B and C following the bus bombings in early 1996. Citing security concerns, the Israeli authorities imposed curfews on various localities and issued temporary closure orders to Palestinian institutions, including schools, colleges and mosques. Settlement activity, expropriation of land and friction between Palestinian residents and settlers continued, including expropriation in connection with the redeployment of Israeli forces. At the close of the reporting period, some 3,200 Palestinians, including many refugees, remained in detention. A total of 17 Palestinians were killed by Israeli soldiers or settlers, as compared to 86 in the preceding reporting period. Israeli forces continued to conduct undercover military operations in the West Bank, which resulted in five of those deaths. In contrast to the rest of the West Bank, clashes between Palestinians and Israeli soldiers and settlers continued in the West Bank town of Hebron, where Israeli forces remained in

occupation throughout the reporting period. A contingent of international observers arrived in May 1996 as part of the Temporary International Presence in Hebron stipulated in the Interim Agreement.

12. The Israeli authorities also imposed complete closures of the West Bank and Gaza Strip on 11 separate occasions during the reporting period, following incidents of violence and retaliation or as a preventive security measure. In particular, the closure of the West Bank and Gaza Strip imposed on 25 February 1996 remained in force through to the close of the reporting period, despite some easing of restrictions. During closures, Palestinians holding West Bank and Gaza Strip identity cards were prohibited from leaving their area of residence, and the permits issued by the Israeli authorities to travel between the two areas or to enter East Jerusalem were invalidated. By severely hindering the normal flow of people, goods and services, in particular by preventing Palestinian labourers from working in Israel, the closures inhibited economic activity in the West Bank and Gaza Strip, exacerbated unemployment and contributed significantly to the deterioration of socio-economic conditions to the point where emergency measures to alleviate hardship were required. In all, the West Bank and Gaza Strip spent close to half of the reporting period under closure, reversing the trend towards normalization of daily life which had characterized the previous reporting period.

13. To address the socio-economic hardship resulting from the extended closure, the Agency launched an emergency job creation programme in the Gaza Strip in March 1996 with a contribution under PIP. Through the project, the Agency was able to provide temporary gainful employment to 2,736 individuals, of whom 2,005 were assigned to the Agency's own programme, administrative and support departments and 731 to public and non-profit organizations in the Gaza Strip. Participants were paid $12 per day regardless of the positions they filled, and would remain employed for a period of five months. The wide range of activities carried out under the programme included clean-up of refugee camps, mosquito eradication, vocational and teacher training, shelter rehabilitation, legal research, summer camps for youth and various community services. In coordination with the Palestinian Authority, 100 health professionals were sponsored at Authority hospitals and clinics, and 40 individuals at the Authority's justice department. A longer-term approach was represented by the organization development initiative launched by the Agency in December 1995 to develop the managerial skills of promising area staff in the West Bank and Gaza fields. Following a thorough selection process, the Agency created individual development programmes for the 61 participants, assigned mentors to each and offered several short courses. Through a focused investment in Palestinian human resources at the managerial level, the Agency sought to help staff to cope with existing challenges, enable them to compete for senior positions within UNRWA and equip them for a future role in the Palestinian community.

14. Within the context of the closures, UNRWA operations were affected in a variety of ways, particularly with respect to constraints placed on Palestinian staff, who represented over 99 per cent of Agency staff. The closures prevented Palestinian staff from reaching their place of work and attending to their duties, obstructed access of beneficiaries to services, gave rise to additional costs and negatively affected efficiency. Previously, staff members resident in the West Bank had been permitted access to the Agency's field office in East Jerusalem provided they were in possession of the requisite entry permits. Despite repeated attempts on the part of the Agency, which continued until the close of the reporting period, no such provision was made with respect to the extended closure imposed in February 1996. As a result, two thirds of field office staff were unable to report to work for the four months of the closure

falling within the reporting period, resulting in severely reduced output and underemployment of staff. During the same period, Agency operations in the Gaza Strip were affected by the inability of Agency trucks from the Jerusalem office to reach Gaza, lack of access to technical expertise normally available from the West Bank and restrictions on the import of goods. Particularly at the Erez checkpoint exiting the Gaza Strip, search procedures obstructed the movement of international staff, including on occasion senior Agency staff. Students from Gaza enrolled at the Agency's West Bank training centres continued to experience difficulty in obtaining permits from the Israeli authorities to attend courses, obliging the Agency to organize special sessions for teacher trainees in Gaza and transfer a vocational training course from Kalandia Training Centre to Gaza Training Centre. As a result of restrictions on movement generally, the Agency was obliged to employ expatriate drivers, at additional cost, to maintain sufficient transport facilities.

15. Agency operations in the West Bank were brought to a virtual standstill during the 11-day internal closure imposed on 4 March 1996 in the wake of bomb attacks against Israeli targets. The closure prevented movement within the West Bank, confining Palestinians to their towns, villages and camps. Local Agency staff were unable to reach their places of work, necessitating the temporary reassignment of education and health personnel to jobs in their areas of residence plus use of local volunteers, and causing Agency schools and health clinics to operate at reduced capacity. Virtually all Agency construction projects were halted, and teams distributing rations to special hardship cases were turned back. Agency vehicles driven by area staff were occasionally subjected to searches by Israeli military personnel, the first time that had happened within the West Bank. In response to the imposition of an extended curfew on Fawwar refugee camp, an emergency distribution to approximately 1,000 needy families was conducted on 15 March 1996.

16. Constraints placed on UNRWA operations in the West Bank and Gaza Strip were inconsistent with the Agency's agreements with the Israeli authorities, on the basis of which the Agency had provided services in the West Bank and Gaza Strip since 1967. The Agency accorded the highest priority to easing the restrictions placed on its operations, making repeated representations to Israeli authorities at all levels. In September 1995, the Commissioner-General wrote to the Israeli Minister for Foreign Affairs expressing serious concern at the restrictions imposed on the movement of staff in and out of Gaza, and proposed that a special checkpoint be designated at Erez for fast and unimpeded transit of UNRWA and other United Nations personnel and vehicles. In reply, the Minister for Foreign Affairs indicated that the Israeli authorities would seek to facilitate the passage by UNRWA staff in the course of their professional duties, but reaffirmed that UNRWA staff who were residents of the West Bank or Gaza Strip could not be exempt from security measures. In view of the Israeli security concerns, the Agency exceptionally agreed to permit, as a pragmatic and temporary measure, the survey of Agency vehicles driven by international staff exiting the Gaza Strip. In reluctantly accepting such arrangements, the Agency proceeded on the basis that UNRWA operations would be subject to minimum disruption and for a limited period only. Nonetheless, procedures at the Erez checkpoint continued to delay passage of Agency vehicles for an average of one hour, and searches were sometimes extended to include staff members' briefcases and luggage. The Agency protested against those measures, and reiterated its request that a practical solution be found to expedite the passage of Agency vehicles through the checkpoint. Notwithstanding differences over the application of security-related measures, the Government of Israel and UNRWA maintained a most cooperative relationship, which, it was hoped, would deepen with the relocation of Agency headquarters.

17. Within the context of its support for the peace process and commitment to the well-being of the Palestine refugee community, UNRWA continued to cooperate with and render assistance to the Palestinian Authority to the extent possible within available resources and the Agency's role and mandate. In response to the urgent need of the Authority for land for housing and installations in Jericho, the Agency relinquished to the Authority in 1995 an uninhabited refugee camp site at Nu'eima in the Jericho area, and subsequently agreed to provide technical and fund-raising support for a model village in the camp. The Agency assisted refugee families who entered the West Bank and Gaza Strip in connection with the establishment of the Authority by accommodating some 4,100 children of those families in Agency schools, hiring teachers and building classrooms for that purpose, and by updating registration records and issuing new registration cards. The Agency provided the education department of the Palestinian Authority with a training course for headteachers, assisted with in-service training courses, and provided school health services in Authority schools.

18. The Agency provided comprehensive maintenance for 25 Palestinian Authority schools, built 15 playgrounds and 5 boundary walls at Authority schools, and began construction of a secondary school at Beit Hanoun which would be turned over to the Authority upon completion. In connection with a project to improve sewerage and storm-water drainage in Gaza municipality, the Agency carried out cleaning, maintenance and repair on municipal sewers and storm drains, procured equipment worth $2.8 million for the municipality and provided technical training and assistance. Joint projects with the Palestinian Authority and other organizations were initiated to improve human resources in maternal health and family planning, develop a strategic plan and operational framework for women's health and assess needs relating to the prevention and control of disabilities. The Agency undertook to provide technical and other assistance to a number of Palestinian Authority projects, including a central health laboratory in the West Bank, three major environmental health projects in the Gaza Strip and the physical planning of Beach Camp. Assistance was offered for housing initiatives in camps and to improve resources for youth and the disabled. The Agency was gratified at the spirit of cooperation and mutual support which characterized its dealings with the Palestinian Authority, and at the extent of the Authority's appreciation of the role played by UNRWA. In accordance with General Assembly decision 48/417 of 10 December 1993 on the establishment of a working relationship between the Advisory Commission of the Agency and the PLO, the latter attended the October 1995 Commission meeting for the first time as an observer, and thereafter continued to do so.

19. At the request of the Secretary-General and pursuant to General Assembly resolutions 49/21 B of 2 December 1994 and 49/21 O of 13 April 1995, the Agency disbursed $5.5 million in voluntary contributions by donors for salaries for 9,000 members of the Palestinian Police Force, as well as for certain recurrent costs in July 1995, in accordance with the established technical mechanism and in full coordination with the Office of the United Nations Special Coordinator in the Occupied Territories (UNSCO). No subsequent contributions for police salaries were received, and the Agency's mandate under resolution 49/21 O to continue to administer such payments expired in December 1995. The total amount disbursed by the Agency from the start of the operation in September 1994 through July 1995 was $38.9 million. Other assistance to the Palestinian Police Force included provision of health services in Jericho and use of an Agency school for short-term police training in July 1995.

20. UNRWA continued to devote attention to harmonization of services with the Palestinian Authority. At the informal meeting of major donor and host Governments held at Amman in May 1996, the Agency presented its harmonization

strategy and reported in detail on progress to date. An agreed concept relating to harmonization emerged. Participants concurred that continued and strengthened harmonization in policy and planning was needed between UNRWA and the Palestinian Authority, and to an extent with the host Governments. The main objectives of the harmonization process were to standardize programmes and services and to contribute to the development of efficient self-reliant structures. The Agency's harmonization efforts were to be considered in a comprehensive manner, though differing in approach and concept in its five fields of operation. Host Governments and the Palestinian Authority needed to be reassured that harmonization would not mean a reduction in financing, while donors needed to have confirmed that harmonization would focus on complementarity, compatibility and cost-effectiveness in the interest of greater efficiency. The issue of the Agency's eventual dissolution, after the fulfilment of its mandate, was not related to the harmonization process. The delegates reaffirmed their strong support for UNRWA and its work in delivering assistance to the Palestine refugees and praised the Agency's ability to respond quickly to the new challenges it was facing under rapidly changing circumstances. The meeting reiterated a conclusion arrived at during the March 1995 donors meeting at Amman, that it was premature to place a time limit on UNRWA's existence, as the period for which Agency services were still needed could not be predicted until there was an agreed solution to the refugee problem.

21. It had long been Agency practice to harmonize services with host Governments at a technical level, to ensure optimal use of resources and better delivery through coordinated policies and programmes. The special circumstances created in the West Bank and Gaza Strip with the establishment of the Palestinian Authority allowed the Agency to take more ambitious and forward-looking steps towards harmonization. The Agency adopted a multifaceted approach which emphasized senior-level contact between the Agency's programme departments and counterparts in the Palestinian Authority, formal coordination mechanisms in the education, health and relief and social services sectors, sharing of human resources, joint planning and infrastructure mapping, and adoption of Authority standards. The tangible progress achieved during the reporting period, detailed in section II of the present report, included several achievements of special note. Agreement was reached between UNRWA, the Palestinian Authority and the European Union that the European Gaza Hospital would eventually become an integral part of the Authority's health system, a consensus that would help to ensure that the hospital would make the fullest possible contribution to the health infrastructure in the Gaza Strip. Continuity in the resources made available for the hospital's completion and running costs was nonetheless a concern, particularly with construction and equipping of the hospital expected to be finished before the end of 1996. A number of measures were also taken to bring the Agency's education services in line with those of the Palestinian Authority, including use of Authority study plans and textbooks. Seven ambulances were turned over to the Authority in a step towards creation of a unified ambulance system.

22. UNRWA continued to participate actively in multilateral efforts to support the peace process and contribute to socio-economic improvement among the Palestine refugee population. The Agency was part of the United Nations delegation to the Consultative Group Meeting for the West Bank and Gaza Strip held in Paris in October 1995, the eighth meeting of the Multilateral Working Group on Refugees held at Geneva in December 1995, as well as the inter-sessional meetings of the Working Group, and the Ministerial Conference on Economic Assistance to the Palestinian People held in Paris in January 1996. The Multilateral Working Group expressed strong support for the work of UNRWA

and other United Nations bodies in delivering assistance to refugee communities and stressed the importance of ensuring adequate future funding for the Agency. The Agency also took part in the multilateral aid coordination initiatives for the West Bank and Gaza Strip facilitated by UNSCO, providing the secretariat for the Local Aid Coordination Committee (LACC) working group on the environment and playing an active role in the working groups dealing with health, education, and infrastructure and housing. Against the backdrop of the extended closure of the West Bank and Gaza Strip, the LACC working group on employment-generation, with the active participation of UNRWA, designed new sets of project proposals aimed at job creation through interventions ranging from training schemes to clean-up activities. UNRWA also helped to prepare a number of sectoral strategy papers and United Nations project priority lists, which would be submitted to donors in late 1996. Those meetings provided useful contacts with donors, the Palestinian Authority and other interlocutors, and an opportunity to present Agency project priority lists and discuss issues of mutual concern.

23. Culminating a process begun in 1993, UNRWA entered a new phase in its history with the return of its headquarters to the area of operations, in accordance with the decision of the Secretary-General and General Assembly resolutions 49/35 A of 9 December 1994 and 50/28 E of 6 December 1995. For the first time since headquarters was transferred out of Beirut in 1978, the Agency was fully based within the area of operations. The relocation was envisaged as a means to demonstrate the commitment of the United Nations to the peace process, underline its confidence in the Palestinian Authority and contribute to the economic development of the Gaza Strip. For UNRWA, the move would result in savings, inter alia, from lower staff costs, while facilitating interaction with the Agency's principal interlocutors and among its constituent parts. Preparations for implementing the final move began in earnest in February 1996, when a target date of 15 July 1996 was announced. Double shifts were introduced to accelerate completion of a four-storey building to accommodate headquarters in Gaza, on which work had begun in October 1995. Considerable efforts were made to use the opportunity afforded by the move to streamline headquarters operations, integrate headquarters and field functions, and effect savings with regard to longer-term costs. Priority was given to the installation of satellite and other telecommunications equipment necessary for headquarters to maintain good voice and data communications within the area of operations and externally.

24. In July 1996, the Office of the Commissioner-General, the Departments of Administration and Human Resources, Legal Affairs and Finance, and the External Relations and Public Information Offices were relocated from Vienna to Gaza. The Information Systems Office, Provident Fund secretariat, Joint Appeals Board and Archives Unit joined the Agency's Amman headquarters, where the three main programme departments and a number of support offices were already located. A total of 81 staff members were transferred to Gaza, including some essential staff with short-term contracts to facilitate the relocation. Six were transferred to Amman, and additional area staff were recruited in both locations. It was decided to reconstitute the Advisory Commission in Amman, where it would be serviced by headquarters staff. Efforts to obtain special funding for the move were ongoing throughout the reporting period, consistent with the position of the Agency's donors and the Advisory Commission that the move not be funded out of UNRWA's regular budget. By mid-1996, the Agency had received $9.6 million in pledges and contributions towards an overall move budget of $13.5 million. Throughout the process, the Agency attached utmost importance to ensuring that headquarters would be able to function effectively over the longer term from its seat in Gaza. Its principal concern in that regard was the range of constraints on UNRWA operations in the West Bank and

Gaza Strip. The Agency appreciated the efforts to facilitate and expedite the relocation by the Palestinian Authority and the Government of Israel, particularly the rapid clearance of most headquarters shipments by the Israeli authorities.

25. The Agency's financial situation continued to worsen, with an $8.4 million deficit recorded for 1995 and a fourth consecutive budget deficit expected for 1996. Broadly speaking, the deficit figures reflected the inability of some donors to increase their contributions commensurate with the Agency's annual budget growth of 5 per cent, the minimum possible increase needed to enable the Agency to maintain services at existing levels in the face of natural growth in the refugee population and inflation. A number of factors specific to the reporting period also influenced the Agency's financial situation, including necessary expenditures in excess of budgeted ceilings as a result of unexpected needs in the area of operations, non-payment of a pledge by a major donor in the amount of $2.6 million and non-payment of reimbursements owed the Agency for port charges and value-added tax. Moreover, with the agreement of its donors, the Agency began in its 1996-1997 budget to include a provision in the amount of $12.7 million per annum towards the $127 million in entitlements payable to staff upon the Agency's eventual dissolution. Delays and shortfalls in funding for the move of Agency headquarters and the European Gaza Hospital project required the advance of General Fund monies, placing additional strain on the Agency's finances.

26. Faced with a deficit that was now structural, the Agency exerted strenuous efforts during the reporting period to bring income and expenditure into line. The bulk of austerity measures imposed in previous years, totalling $14.2 million, was carried over, and $12 million in salary increases was deferred from 1995 to 1996. The Agency was also affected by the cost containment exercise implemented by the United Nations in its regular budget. The failure to improve the Agency's financial situation led to the implementation in June 1996 of a further $9 million in austerity measures, including a freeze in recruitment for certain posts and cuts in the budget allocations for construction, maintenance, hospitalization, medical supplies, temporary labour, vehicles, computers, and equipment and supplies. Nevertheless, at mid-1996 the Agency faced estimated deficit figures totalling $45.2 million, of which $9.3 million represented the core deficit, $23.2 million the cost to restore the austerity measures introduced in February 1993 and June 1996, and $12.7 million the provision for termination indemnities.

27. Within that context, the Agency was growing increasingly concerned at the cumulative effect of the deficit figures and reduction measures of recent years on the quality of Agency services to the Palestine refugees. Lack of sufficient funds was preventing the expansion of services at a rate commensurate with demand, while successive rounds of belt-tightening were progressively downgrading the level of services and giving rise to longer-term costs. Strict controls on posts and salary increases resulted in workloads above standard norms and made it increasingly difficult to retain and attract the qualified area staff necessary for programmes to function well, particularly staff with specialist expertise such as engineers, teachers and accountants. Schools suffered from chronic overcrowding, high double shift rates, and insufficient teaching, administrative and supervisory capacity. Health facilities remained overburdened, with doctors seeing an average of 94 patients per day, and strict controls had to be instituted on the hospitalization scheme. Social workers, who handled average caseloads of 250 special hardship families each, could not provide adequate attention to beneficiaries. A three-week strike by Agency staff in the West Bank in December 1995, resolved through the granting of an

8 per cent salary increase in the West Bank and Gaza Strip, was an indicator of the difficulties the Agency was facing with respect to salary levels. Cuts in maintenance allocations led to early dilapidation of facilities and equipment, while cuts in travel and training allocations affected the ability of managers to provide technical guidance and support. Reductions in audit capacity lessened the Agency's ability to control and monitor operations.

28. The cumulative effect of the deficits and austerity measures in recent years was to erode the Agency's ability to maintain its core functions with respect to the refugee population in a manner consistent with its mandate and traditional role. The present situation was clearly not sustainable. In the absence of additional funding to redress the imbalance between income and expenditure, the Agency was faced with a choice of either drifting towards insolvency while allowing the level and quality of services to continue their inexorable decline, or making the difficult decision to withdraw entirely from certain core programme or other areas. At a time when the Agency was recognized as a key element of stability in the region and a significant source of support for the peace process, a substantive reduction of services would have particularly worrying consequences. In the present context, such a step would be viewed as phasing out of the Agency prior to resolution of the refugee problem, and a reneging by the international community on its commitment to the Palestine refugee community. It would also place an undue burden on the host Governments and the Palestinian Authority and jeopardize prospects for harmonization with the latter.

29. At the same time, maintaining the status quo could technically lead the Agency into bankruptcy. A decline in the Agency's relations with the refugee community as a result of perceived deterioration in services was already becoming noticeable. In resolution 50/28 A, the General Assembly noted with profound concern that the structural deficit problem confronting the Agency portended an almost certain decline in the living conditions of the Palestine refugees and therefore had possible consequences for the peace process. It called upon all Governments, as a matter of urgency, to make the most generous efforts possible to meet the anticipated needs of the Agency, including the costs of moving the headquarters to Gaza. In that connection, there remained a marked contrast between the generous funding made available for projects, inter alia, to enhance Agency infrastructure and the increasingly tight financial constraints placed on core Agency activities. The imbalance in funding meant, for example, that the Agency could replace dilapidated school premises with new buildings, but could not recruit teachers. It was essential and critical for the Agency, together with donors and host Governments, to re-examine priorities and explore all options and alternatives to resolve the situation. An extraordinary meeting was scheduled for September 1996 to address those issues.

30. In the interest of promoting the self-reliance of the refugee community and ensuring the longer-term viability of UNRWA programmes and services, the Agency continued to emphasize community participation as a key aspect of its social development activities. Through community participation, which represented an added value to the Agency's output in excess of that funded by donors, the Agency sought to involve refugees actively in the provision of services, help the Palestine refugee community assume greater responsibility for its own future, and ensure the sustainability of its programmes and services within a rapidly changing environment. Where appropriate and feasible, refugees were asked to make some form of contribution towards delivery of the services from which they benefited. Families of refugee pupils made voluntary contributions to be used for upkeep of school premises and additional equipment and supplies,

except in the Gaza Strip. Patients participated in the cost of medical care services by making co-payments for hospitalization and covering the costs of specialized medical investigations and aids. Nominal contributions and cost-sharing were not applied to special hardship cases.

31. The Agency fostered the community's own service provision through institution-building and other initiatives. Local committees managed over 60 per cent of the women's programme centres as well as all community rehabilitation and youth activity centres, with the Agency providing financial and technical support and actively promoting self-management and financial sustainability. Under self-help schemes for shelter rehabilitation, pavement of pathways and connection of shelters to internal water and sewerage systems, the Agency provided materials and technical assistance in return for community labour. Volunteers carried out maintenance of and improvements to Agency education facilities, acted as substitute teachers during closures in the West Bank, ran courses at women's programme centres, served as community rehabilitation workers, and participated in health education and health promotion activities. The Agency's Qalqilia hospital in the West Bank enjoyed especially enthusiastic community support, which included the services of additional professional staff, skilled labour for routine maintenance, and equipment and furniture. The Qalqilia municipality provided premises, utilities and sanitation services to the hospital free of charge, in return for access by poor non-refugee patients to the hospital. Agency infrastructure, particularly in the education sector, benefited from private contributions for construction and upgrading of facilities as well as donations of equipment, supplies and building sites.

32. UNRWA devoted increasing attention during the period under review to the implications of the evolving context in which it had been operating since the signing of the Declaration of Principles. The prospect of an agreed solution to the Palestine refugee problem and hence completion of the Agency's mandate, the emergence of the Palestinian Authority as a close partner of the Agency, an international milieu characterized by decreasing aid budgets and the return of Agency headquarters to the area of operations within a dual headquarters arrangement were factors of distinct policy and operational significance for UNRWA. There was agreement that existing structures needed to be improved for the Agency to meet the present challenges and continue to fulfil its role effectively in the period ahead. Rationalization of structures, streamlining of operations, and reassessment of management and administrative practices were identified as key areas in which substantive improvements would be made. Following a number of internal and external evaluations of aspects of Agency operations and extensive discussion among senior managers, the Commissioner-General decided to undertake a management review with the assistance of external consultants. Such an exercise would, it was hoped, energize a process of institutional reform that would make UNRWA more responsive to the needs of Palestine refugees and more adaptable to the developing situation on the ground. The Agency's plans for a management review were strongly endorsed at the informal meeting held at Amman in May 1996.

33. UNRWA's relationship with the Government of Jordan remained excellent, with close cooperation in a variety of areas and active government support for Agency activities. The refugee population in Jordan, the largest of any field, continued to enjoy access to government services and a relatively high standard of living, although some deterioration in socio-economic conditions was noted. Refugee families continued to seek the updating of registration records and to transfer children from Agency to government schools, trends noted in last year's report. At the request of the Jordanian and Palestinian authorities, the Agency

suspended implementation of its decision to freeze intake of students at the Educational Sciences Faculty (ESF) at the Amman Training Centre and undertook to seek special funding for the faculty. The first group of in-service ESF trainees would graduate in August 1996 with an accredited bachelor's degree in education. The Agency achieved its goal of replacing all dilapidated prefabricated school premises in Jordan and established four new centres for slow learners. The voluntary contribution rates at Agency educational institutions in Jordan were also revised. The Agency and the Government's Department of Palestinian Affairs continued to cooperate closely on a project to improve environmental health conditions in camps, complementing government initiatives in that sector. The Government of Jordan reported expenditure of $263 million on services provided to Palestine refugees and displaced persons during the reporting period, including on education, fuel subsidies, health care, electricity subsidies, ration subsidies, security and defence, social services, water and sewerage networks, and various projects and services in camps. The 1996 UNRWA budget for ongoing programmes in Jordan was $74.3 million. The Agency welcomed the signing between the Governments of Israel and Jordan of a series of sectoral cooperation agreements in fulfilment of the October 1994 peace treaty.

34. There was no improvement in socio-economic conditions among the Palestine refugee population in Lebanon, which continued to face limited access to public sector services, constraints on commercial activity and restrictions in many sectors of employment. Poor living and housing conditions in camps were reflected in the high demand for special hardship assistance and shelter rehabilitation, with Lebanon continuing to have the largest proportion of refugees (10 per cent) enrolled in the special hardship programme. The revised hospitalization co-payment rates were not introduced in Lebanon owing to the acute needs in the field, where UNRWA remained the only provider of health care to Palestine refugees. Initial steps were taken on a project to improve environmental health conditions in eight camps, and the internal sewerage scheme in El-Buss camp was completed. The Lebanon Field Office and its central warehouses were relocated to new combined premises, and the computerized registration database was downloaded to the field. The August 1995 decision by the Government of the Libyan Arab Jamahiriya that Palestinians should leave the country had a special impact on Lebanon, where many of those Palestinians had lived. The Lebanese authorities subsequently began to require that Palestine refugees with Lebanese travel documents wishing to exit and re-enter Lebanon should obtain a visa in advance. The Agency was also concerned at the promulgation of a new rent law sought to be made applicable to international organizations. If that law were applied to Agency premises, it would lead to a dramatic increase in rental costs for the Agency, mainly for schools. The Agency maintained a most constructive relationship with the Government of Lebanon, which reported expenses incurred on behalf of Palestine refugees during the period under review of $297,000 on administration and rent of camp sites, with additional expenses on education and security and payments by the Central Fund for the Displaced. Ongoing Agency programmes in Lebanon were budgeted at $39.9 million for 1996.

35. The security situation in Lebanon deteriorated markedly during the reporting period as a result of escalation of the conflict in Israeli-controlled south Lebanon. Following an increase in violence in which civilian areas on both sides of the border were subjected to retaliatory attacks, a major bout of hostilities occurred between 11 and 26 April 1996. Some 300,000 Lebanese civilians reportedly fled their homes as a result of the fighting, which was concentrated in south Lebanon with occasional Israeli attacks elsewhere in the country, including Beirut. Although a mass displacement of Palestine refugees

fortunately did not occur, UNRWA undertook an emergency relief operation in response to humanitarian needs arising from the conflict. Basic food commodities and medical and other supplies were distributed over a three-week period to nearly 13,000 refugee families in the Saida and Tyre areas, with armed escort provided by the United Nations Interim Force in Lebanon (UNIFIL). Some 600 displaced persons, one third of them Palestine refugees, found temporary shelter in three Agency schools in Saida and one in Beirut. Logistical support in meeting the needs of displaced persons was provided at the request of government bodies, other United Nations agencies and non-governmental organizations. The fighting disrupted regular Agency operations, necessitating, inter alia, the extension of the school year to make up for school closures.

36. The high degree of cooperation between UNRWA and the Government of the Syrian Arab Republic continued during the period under review. Particular attention was paid to the health sector, where the Agency cooperated with the Ministry of Health in disease surveillance and control and in family planning. The group-guaranteed savings and loan programme grew significantly. The Agency paid a diesel tax under protest so as to be able to register its vehicles in the field, incurring an additional cost of $78,000; efforts to resolve the issue were ongoing. The relocation of refugee families from Jaramana camp to a housing project at Husseinieh continued. In March 1996, the working exchange rate for the Syrian pound was revised, with the yield contributing to a reduction in the Agency's financial deficit. The Government reported expenditures on behalf of Palestine refugees of $37.8 million during the reporting period, on education, supply costs, land, housing and utilities, security, administration, health care, social services and other costs. The Agency's 1996 budget for ongoing programmes in Syria was $27.3 million.

37. UNRWA maintained close cooperation with a number of United Nations agencies, including the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the Office of the United Nations Special Coordinator in the Occupied Territories (UNSCO) and the World Health Organization (WHO). UNESCO and WHO continued to provide technical assistance to the UNRWA education and health programmes, inter alia through secondment of staff. Special inter-agency initiatives during the reporting period included joint monitoring by UNRWA and the Office of the United Nations High Commissioner for Refugees (UNHCR) of the situation of Palestinians required to leave the Libyan Arab Jamahiriya, support by UNIFIL for UNRWA emergency humanitarian assistance operations in Lebanon, and coordination with the United Nations Truce Supervision Organization (UNTSO) on matters relating to the security of United Nations staff in the West Bank and Gaza Strip. The Agency strengthened the peace education component of its education programme by distributing a selection of materials prepared by UNESCO for use in Agency schools and training centres, especially in the West Bank and Gaza Strip. Agency programmes also benefited from cooperation and coordination with local and international non-governmental organizations in the five fields of operation. UNRWA maintained ongoing contacts with the League of Arab States and the Organization of the Islamic Conference. The Agency participated in the general meeting on cooperation between the United Nations and the League of Arab States held at Vienna in July 1995 and the fifth joint UNRWA-Arab League meeting on education services to Palestine refugees in December 1995 and co-sponsored with the Arab League and UNESCO a seminar on Palestinian education in June 1996. Through the Arab League Council of Ministers, the Commissioner-General of UNRWA requested Arab Governments to increase contributions to the Agency's regular budget to the level of $10 million collectively in 1996. The Commissioner-General also participated in September 1995 in the second meeting of the Eminent Persons

Group of the Organization of the Islamic Conference, serving as Chairman of the Committee for Economic, Social, Science and Technology Affairs.

38. At mid-1996, the outlook for the Palestine refugees and the Agency was less promising than it had been one year earlier. The turning point in the fate of the Palestine refugees which had appeared to be on the horizon at that time had not materialized. Whereas the Agency had previously been anticipating further advances in the Middle East peace process and contemplating the positive implications of a resolution of the Palestine refugee issue, it was now confronted with a fragile environment characterized by mounting concerns over security, emphasis on the contradictory rather than complementary interests among the parties concerned and increased questioning of the course embarked upon in September 1993.

39. Despite encouraging steps, a comprehensive solution to the plight of the refugees seemed more distant than ever. They had not yet been able to enjoy the full promise of the peace process and were facing increasing restrictions and declining standards of living. For the majority of refugees, it was still a struggle to meet essential needs - education for children and young people, a basic measure of health and welfare, and the opportunity to earn a living and become self-reliant. As far as could be foreseen, the best hope for an improvement in that regard lay in a resumption of the Middle East peace process in accordance with the agreed-upon framework. The final status negotiations, in particular, held the prospect of progress towards a final resolution of the refugee problem and other issues.

40. In partnership with the refugees, in cooperation with host authorities and with the support of the international community, UNRWA was doing what it could to help meet the needs of its beneficiaries. The refugees themselves were making admirable efforts to improve their lives and take charge of their own affairs. But much more needed to be done. UNRWA, for its part, was caught between the growing humanitarian needs of the population which it had served for decades and the limits on the resources available to it. The measures adopted by the Agency in the face of the repeated structural deficits were threatening to produce a serious deterioration in the quality and level of services. The human cost would increase if services had to be scaled back as a result of the Agency's financial crisis. The Agency was experiencing difficulties arising from restrictions placed on Agency operations in the West Bank and Gaza Strip, in particular, restrictions on freedom of movement of Agency staff.

41. UNRWA was finding itself in an increasingly untenable position with respect to its ability to continue to fulfil its traditional role and mandate. In its capacity as a lifeline for one of the neediest groups in the area of operations and a source of livelihood for thousands of refugees and their families over a span of generations, the Agency had long served as an element of stability in a turbulent region. UNRWA had come to symbolize the commitment of the international community to the Palestine refugees, and in recent years had made decisive contributions in support of the peace process which had gained broad recognition. In that light, a substantive reduction in Agency services, particularly at this critical juncture, would have damaging consequences for the refugee population and would not appear to serve the individual or collective interests of the parties concerned. Finding a means to allow the Agency to continue to meet the essential needs of the refugees within acceptable terms was therefore an urgent necessity.

II. GENERAL DEVELOPMENTS IN AGENCY PROGRAMMES

A. Education

42. The Agency continued to cooperate with and assist the Palestinian Authority in the education sector, taking a number of practical steps during the period under review to further harmonize its education services with those being provided by the Authority. In the 1995/96 school year, Agency schools in the West Bank and Gaza Strip utilized the Palestinian Authority's study plans for the basic education cycle as well as the textbooks prescribed by the Authority, although lack of funds prevented the Agency from increasing teacher posts to the level required. The Agency for the first time procured textbooks for its West Bank schools directly from the Authority, at additional cost, and arrangements were being made to do the same for the Agency's schools in Gaza for 1996/97. The calendar for the 1995/96 school year, including commencement, examinations, vacations and official, religious and national holidays, was also coordinated. UNRWA adopted the Authority's policy to phase out the appointment of two-year diploma-holders as teachers in the elementary cycle in the West Bank by the 1997/98 school year, also at additional cost. UNRWA staff participated in the design and development of the Palestinian curriculum through the Palestinian Authority's curriculum development committee, and the Agency was given a leading role in the revision of the Authority's vocational training study plan. Infrastructure mapping in the education sector was coordinated to avoid duplication in school construction, with UNRWA receiving six sites in 1995 originally designated for new Authority schools in the Gaza Strip. The Educational Sciences Faculty (ESF) at the Agency's two Ramallah training centres had been granted general accreditation by the Palestinian Council of Higher Education in May 1993, and the Agency was applying for special accreditation, by which ESF degrees would receive full endorsement. The Authority ceased to offer pre-service teacher training in its West Bank colleges in 1994/95 on the understanding that, in addition to local universities, UNRWA would undertake that function. In November 1995, the Agency provided the Authority with a training programme and instruction materials for an in-service training course for head-teachers. UNRWA education staff provided assistance for in-service training courses organized by the Authority, and cooperated with the Authority in career placement and guidance initiatives. The Agency also coordinated with the Palestinian Authority in accommodating in Agency schools children of refugee families who had entered the West Bank and Gaza Strip in connection with the establishment of the Authority. All those efforts enhanced the compatibility and interdependence of the parallel education systems in the West Bank and Gaza Strip. Cooperation with the Palestinian Authority in the education sector was carried out in accordance with the memorandum of understanding signed in May 1994 under which UNRWA and the PLO aimed to develop and improve the education process at all stages in UNRWA schools and training centres in the West Bank and Gaza Strip, establishing a joint coordination committee for that purpose.

43. In the five fields of operation, UNRWA's 637 schools accommodated 421,854 pupils mainly in the elementary and preparatory cycles, an increase of 12,993 pupils over the previous reporting period, of whom 11,088 were in the Gaza Strip. While the bulk of the increase could be attributed to natural growth in the Palestine refugee population, movement of Palestinian families within the region and the consequent transfer of their children to UNRWA schools from non-Agency schools in their previous place of residence were significant factors in the Gaza Strip, the West Bank and Lebanon. Agency schools followed host government curricula in Jordan, Lebanon and the Syrian Arab Republic, and

utilized the Jordanian and Egyptian curricula adopted by the Palestinian Authority in the West Bank and Gaza Strip respectively. The Agency's basic education programme consisted of an elementary cycle of six years and a preparatory cycle of three or four years, depending on local norms; a three-year secondary cycle was also offered at the single UNRWA secondary school, in Lebanon. The eighth biennial education workplan emphasized curriculum enrichment and in-service teacher training as priorities for 1996-1997. In all fields except Gaza, nominal contributions at prescribed rates were paid by pupils and trainees on a voluntary basis for use in improving school facilities and equipment. Education remained the Agency's single largest area of activity, employing 14,863 staff, who represented 70 per cent of all Agency staff. The education programme's operating budget of $159.1 million for 1996 accounted for 47 per cent of the total budget.

44. The number of training places offered at the eight Agency vocational and technical training centres in the five fields rose to 4,624, an increase of 56 over the previous reporting period. However, actual enrolment decreased to 4,345, largely owing to the inability of trainees from Gaza at the Agency's West Bank training centres to obtain the requisite permits from the Israeli authorities. Twenty-three 2-year vocational courses at the post-preparatory level were offered in the mechanical, electrical, building and metalworking trades, in addition to courses for women in clothing production and hairdressing and beauty care. Twenty-five 2-year technical/semi-professional courses were offered at the post-secondary level, providing training in a variety of technical, paramedical and commercial skills. Course offerings at specific Agency training centres varied according to local labour market needs and availability of other training opportunities. In addition, 194 trainees were enrolled in 10 short-term courses of 12 to 20 weeks' duration in the Jordan, Lebanon and West Bank fields. Those courses offered training as executive secretaries, concrete form workers, tile-setters, building decorators, plumbers, electricians and repairmen. The Agency's training curriculum continued to expand, with the addition of three 2-year courses and seven short-term courses during the reporting period. Career guidance for graduates was coordinated through a placement and career guidance office at the Agency's Amman headquarters.

45. Pre-service and in-service teacher training leading to a first-level university degree was provided through ESF, established in September 1993 in response to the requirement of the Government of Jordan that teachers in the basic education cycle possess four-year diplomas. The four-year pre-service programme, which granted university degrees in several teaching specializations, was offered at the Amman and Ramallah training centres to 690 secondary-school graduates, of whom 454 were women. The three-year in-service programme at the Amman Training Centre, which aimed to upgrade the qualifications of UNRWA teachers holding two-year teacher training diplomas to the first university degree level, had an enrolment of 564 Agency teachers, of whom 182 were women. Mid-1996 marked the first time that a university-level degree would be awarded by UNRWA, to the initial group of degree-holders in the pre- and in-service programmes. In addition, 651 teachers, head teachers, school supervisors and vocational and technical training instructors benefited from the Agency's regular in-service teacher training programme. The UNRWA/UNESCO Institute of Education, a specialized in-service teacher training unit at the UNRWA Amman headquarters, retained overall responsibility for the regular in-service programme, which was implemented by a separate Education Development Centre in each field of operation. Included were a two-year education diploma programme, year-long courses to develop the competencies of supervisory and administrative staff and to accustom teachers to curricular changes introduced by host

Governments and the Palestinian Authority, and general courses in teaching methodologies and techniques.

46. In the West Bank and Gaza Strip, the academic performance of pupils remained a matter of concern as a result of disruptions to the Agency's education programme. Although education facilities were for the most part able to function normally throughout the year, restrictions on movement imposed by the Israeli authorities continued to affect access to and the quality of Agency educational services. Besides the problem of male trainees from Gaza facing difficulty in obtaining permits to study at West Bank training centres, Israeli-imposed closures often prevented, sometimes for long periods, UNRWA teachers and other education staff residing in the West Bank from reaching their place of work. The strict closure of the West Bank beginning in February 1996 prevented educational staff until the end of June 1996 from reaching the eight Agency schools inside the municipal boundary of Jerusalem, at which point the Agency was still attempting to resolve the situation with the Israeli authorities. The initial two weeks of the closure prevented staff from reaching their place of work throughout the field. Redeployment of staff and extension of the school year partially compensated for the effects of the closure.

47. UNRWA continued its efforts to maintain standards and boost achievement levels among pupils in Agency schools, provide specially tailored programmes for children with special needs and compensate for the cumulative disruption in education as a result of earlier periods of unrest in various fields. To address those problems, diagnostic examinations were administered on a regular basis to detect weaknesses in basic subject areas, and various compensatory measures were offered, including remedial classes, additional class periods, extra supervision of pupils, audio-visual programmes, and preparation and distribution of curriculum enrichment materials, self-learning kits and teachers' guides. In the West Bank and Gaza Strip, the Agency's efforts focused on overcoming the still-noticeable consequences of the intifada and Israeli countermeasures, while in Lebanon the emphasis was on the after-effects of the long civil conflict. In addition, 1,360 slow learners were integrated into the Agency's regular education programme during the period under review, with special instruction provided through 45 centres for slow learners.

48. The Agency's education infrastructure continued to be affected by steadily increasing enrolment and limited possibilities for expansion. Chronic shortage of school buildings made it frequently necessary to accommodate two separate administrative schools in one building, working in morning and afternoon shifts. That practice shortened the school day, led to overuse of facilities and effectively deprived pupils of the benefit of extracurricular activities. In the 1995/96 school year, the 637 Agency administrative schools operated out of 404 buildings, with a double shift rate of 69 per cent. Moreover, 18 per cent of the administrative schools were accommodated in 84 rented buildings, which had not originally been designed as schools and therefore lacked adequate classroom space, proper lighting and ventilation, and auxiliary facilities such as laboratories, libraries and playgrounds. Limited resources to fund employment of additional teachers or construction of schools resulted in general overcrowding in the Agency's education system, with the average classroom occupancy rate Agency-wide reaching 42.7 in 1995/96. The Agency norm of 50 pupils per classroom was only applicable to specially designed and constructed Agency-standard schools.

49. The Agency's infrastructure development programme in the education sector sought to alleviate those conditions with the aim of maintaining and where possible enhancing the quality of services. During the period under review, 35

school buildings were constructed to replace unsatisfactory rented premises, prefabricated structures and dilapidated premises that were beyond repair. An additional 94 classrooms were built to avoid triple-shifting, reduce overcrowding or replace unsafe classrooms, and 19 specialized rooms such as libraries, science laboratories, computer rooms and multipurpose rooms were added to school premises that lacked such facilities. Another 16 schools, 41 classrooms and 9 specialized rooms were under construction at the close of the reporting period. Replacement of rented premises with newly constructed Agency standard schools caused the percentage of rented schools to drop from 20 per cent in 1995 to 18 per cent in 1996. Several projects were completed for the upgrading of workshops in Agency training centres or for the construction and equipping of workshops to accommodate new courses. In response to the urgent need of Palestine refugees in Lebanon for access to secondary education, the Agency began to solicit special funds for the establishment of two secondary schools, in Saida and Tyre. A number of other projects to upgrade school facilities were also carried out, including paving of playgrounds, installation of toilet blocks and building of border walls.

50. The Agency awarded scholarships to 943 Palestine refugee pupils, including 437 women, for study at 48 universities in 12 countries in the region. Ranging in value from $250 to $1,500 per year, the scholarships were awarded on the basis of academic merit as evidenced by the results of general secondary school examinations (tawjihi), and were renewable until the student attained a first-level university degree. Over 70 per cent of scholarship recipients were studying engineering, pharmacology or medicine, with other fields of study including dentistry, science, the arts and education. The university scholarship programme, through which the Agency sought to enhance education levels and hence employability, was mostly funded through voluntary contributions.

51. The education programme was run in cooperation with UNESCO, which assumed technical responsibility by providing a group of seven senior managers to UNRWA, including the Director of Education. Three of those posts were converted from international to area status during the reporting period, with UNESCO covering the cost of those posts in lieu of secondment. Following a decision in November 1995 by UNESCO to discontinue the practice of clearing textbooks used in UNRWA schools, all textbooks prescribed by the host Governments and the Palestinian Authority were procured by the Agency and distributed in Agency schools. In cooperation with UNESCO, the Agency strengthened the peace education component of its education programme by distributing in April 1996 a selection of materials prepared by UNESCO to all Agency learning resource centres, education development centres and training centres, for use within the regular elementary and preparatory cycles and the vocational and technical training programme, especially in the West Bank and Gaza Strip. UNESCO also provided university scholarships for refugee students. The League of Arab States, UNESCO and UNRWA jointly sponsored a seminar in Cairo in June 1996 on the support and development of Palestinian education and the Palestinian education process. In December 1995, the Agency participated in the fifth joint meeting on the education of Palestinian children, organized by the League of Arab States, at which the Agency's efforts in providing educational services at acceptable standards to Palestine refugees were commended by the host Governments.

B. Health

52. Harmonization of Agency health policies and services with those of the Palestinian Authority and rehabilitation and construction of essential health infrastructure in the Palestinian self-rule areas remained at the top of the Agency's priorities during the period under review. Close coordination and liaison with the Palestinian Authority was sought through senior-level contacts, formal mechanisms at the policy, technical and sectoral levels, and participation of senior Agency staff in Palestinian Authority health initiatives. The Agency remained committed to the goal of contributing to the process of building a unified health-care system in the Palestinian self-rule areas within available means, and retained its focus on maintaining and expanding primary health-care facilities and completing major health development projects such as the European Gaza Hospital and the Gaza College of Nursing and Allied Health Sciences. The Agency continued to play a leading role in the planning and coordination of viable and sustainable projects in the environmental health sector, including for sewerage, drainage and solid waste management.

53. Tangible progress in harmonization was attained in a number of areas, despite constraints associated with the process of institutional capacity-building and further development of health policies by the Palestinian Authority. An agreement in principle was reached with the Authority to avoid overlapping and duplication of health-care facilities and services, including mapping of primary health-care facilities to determine how resources could best be shared and the transfer of certain newly constructed facilities by UNRWA. In the context of harmonization, the first installation to be handed over and run by the Palestinian Authority was Biddo health centre in the West Bank in July 1996. Auja health point in the West Bank was also slated for transfer, and an agreement in principle was reached with respect to health facilities in the northern Gaza Strip. Those facilities, located outside of camps, would be accessible to refugees and non-refugees alike. As a step towards creating a unified ambulance system, the Agency donated seven ambulances to the Palestinian Authority in September 1995, with the agreement of the original donor. Within the framework of a special donor-funded project, the Agency provided school health services to Palestinian Authority schools, organizing three school health teams to carry out medical examinations and immunization of children. The Palestinian health authorities supplied the Agency with special vaccines as part of the expanded programme of immunization. Harmonization in mother and child health services also made progress. Those efforts would, it was hoped, contribute towards achieving a sustainable and cost-effective health-care system.

54. Concurrently, UNRWA remained committed to providing essential health services to Palestine refugees in Jordan, Lebanon and the Syrian Arab Republic, as well as maintaining close cooperation with the host government health ministries. Areas of cooperation included exchange of information, coordination of disease control measures, and participation in national conferences and immunization campaigns. In spring 1996, UNRWA took part in national immunization campaigns for eradication of poliomyelitis throughout its area of operations in the context of a WHO regional strategy implemented in coordination with local ministries of health. A total of 200,564 refugee children under the age of five were immunized. The Governments of Jordan and the Syrian Arab Republic provided the Agency's annual requirements for hepatitis B vaccine as part of ongoing arrangements. The expanded programme of immunization was carried out with the cooperation of UNICEF, which donated regular vaccines and cold-chain equipment in certain fields of operation.

55. UNRWA continued to provide Palestine refugees with comprehensive primary health care, including outpatient medical care, disease prevention and control, maternal and child health and family planning services. Services were delivered through the Agency's network of 87 health centres and 23 health points and 13 mother and child care clinics. Those facilities provided a full range of preventive, curative, support and community health services. Special care for non-communicable diseases such as diabetes mellitus and hypertension was fully integrated within health centre activities, as was specialist care covering paediatrics, obstetrics, gynaecology, cardiology, ophthalmology, and treatment for chest diseases and ear, nose and throat illnesses. Eighty-six centres contained clinical laboratories and 70 accommodated dental clinics offering comprehensive oral health services, with eight mobile teams providing community oral health care. Thirteen physiotherapy clinics in Jordan, the West Bank and the Gaza Strip provided rehabilitation services to refugees in those fields. The health programme had an operating budget of $60 million in 1996, representing 18 per cent of the total Agency budget. The 3,476 staff employed in the health programme in all five fields of operation, the majority of whom were locally recruited Palestinians, represented 16 per cent of all Agency staff.

56. In all, Agency health facilities handled some 6.6 million patient visits during the period under review, an increase of 0.8 per cent over the previous reporting period. The workload relating to medical and dental patient consultations and other support services remained heavy, with an average of 94 daily patient visits per doctor Agency-wide, reaching as high as 107 in Jordan. The increase in utilization of the Agency's free medical care services could be attributed to general socio-economic hardship among the refugee community, rising costs of other health-care providers and improved access to Agency primary care facilities. To accommodate rising demand, the Agency continued to develop its health infrastructure to the extent possible within available resources.

57. According to recent independent assessments carried out by the World Bank and other expert missions, the Agency's primary health-care programme remained one of the most cost-effective programmes in the region. That success resulted from the Agency's ability to provide comprehensive health care through an integrated approach which facilitated access, reduced the need for referral from one level to another and ensured continuity. The Agency's ongoing efforts to develop human resources in the health sector through postgraduate and in-service training were an important contributing factor. As part of its long-standing technical assistance, WHO seconded to UNRWA four senior staff, including the Director of Health, and covered the cost of three of the five division chiefs, in accordance with an agreement on localization of those posts on retirement of incumbents or expiry of contracts.

58. In addition to the services provided at the 43-bed Qalqilia hospital in the West Bank, secondary care provided by the Agency consisted of financial support towards hospitalization of refugee patients either at contracted non-governmental organization and private hospitals or through reimbursement of costs incurred by refugees at government or private hospitals. As a result of soaring hospitalization costs in all fields of operation to levels incompatible with available resources, a 12 per cent co-payment by all patients treated at contracted hospitals was introduced Agency-wide as an interim measure in October 1995. The co-payment rate for special hardship cases was set at 5 per cent, and the Lebanon field was exempted from the measure for the time being owing to the lack of other hospital services readily available to refugees. In addition, steps were taken to further rationalize referrals,

including reduction in the number of bed/days utilized, establishment of waiting lists for chronic surgical conditions, and review of hospital referral and admission policies, with priority given to emergency cases. Within the context of implementing an equitable hospitalization policy Agency-wide and adequately providing essential hospital services to all patients, those measures aimed at ensuring that coverage was maximized and that cost increases were accommodated without curtailment of services.

59. With women of reproductive age and children below the age of five comprising two thirds of the registered Palestine refugee population, the Agency placed special emphasis on maternal and child health and family planning services as an integral part of its regular health programme. By mid-1996, family planning services were offered at 120 Agency health centres, up from 49 in 1992. The Agency took steps to reinforce its approach to family health, which was based on the quality and continuity of ante-natal, natal and post-natal care and the provision of family planning and child health services, with special attention devoted to identification and management of women at risk and children with special needs. Other priority areas included improving standards and quality of services and training staff in family health-related skills such as contraception and counselling techniques. A six-month plan of action to strengthen the family health programme was adopted in September 1995, and on-the-job training was provided for family health officers and new staff. UNRWA mother and child health and family planning clinics provided health care to 205,150 children under three years of age, 73,598 pregnant women and 41,435 family planning acceptors. Some 84,450 pregnant women and nursing mothers and 135,000 children under the age of two received supplementary nutrition assistance in the form of dry rations and baby cereal respectively. Eleven per cent of all deliveries reported among registered refugee women in 1995 took place at UNRWA maternity units.

60. Special projects to improve further and expand maternal health and family planning services proceeded according to established plans and targets during the period under review. A three-year 1995-1997 project to develop an open learning programme and to train resource personnel from UNRWA, the Palestinian Authority and non-governmental organizations in the Gaza Strip was begun in April 1996. Following completion of a three-year expanded maternal health and family planning programme jointly implemented by UNRWA and UNFPA in the West Bank and Gaza Strip, a tripartite mission with the Palestinian Authority developed in October 1995 a strategic plan and operational framework for a women's health programme, covering reproductive health and family planning. UNFPA also covered for one year the cost of contraceptive supplies used by UNRWA in Jordan, Lebanon, the Syrian Arab Republic and the West Bank; Gaza needs were covered by another donor. Those activities were supported by expanded research by UNRWA, such as a study in October 1995 of 8,309 registered refugee mothers of children age three and under who visited Agency health facilities in all five fields of operation. The study revealed, inter alia, that modern contraceptive methods were used by 32.8 per cent of the women surveyed, with UNRWA providing contraceptives to 55.5 per cent of users. It was planned to use the results of such studies to establish a database on the health status of the refugee population, to facilitate programme evaluation.

61. Over 1 million refugees in 59 camps in the five fields of operation benefited from environmental health services provided by the Agency, which included sewage disposal, management of storm water run-off, provision of safe drinking water, collection and disposal of refuse and control of insect and rodent infestation. The leading role of UNRWA since 1993 in planning for sustainable development in the environmental health sector resulted in

identification of projects, completion of feasibility studies, development of detailed technical designs, preparation of relevant cost estimates and securing of substantial funds for the implementation of large-scale projects to improve sewerage, drainage and solid waste management in camps and adjacent municipalities. The Agency's efforts were focused on the Gaza Strip, where improvement of environmental health conditions was a key not only to reducing health risks but also to future socio-economic development. Planning and implementation of environmental health initiatives was carried out in close coordination with municipalities as, in many instances, camps and municipalities shared the same problems and effective solutions required comprehensive sectoral planning to avoid the risks of conflicting or incompatible priorities, duplication of effort and waste of resources. With progress in institutional capacity-building by the Palestinian Authority, it was becoming increasingly evident that bilateral cooperation between donors and the Authority should be encouraged, with UNRWA providing technical assistance and logistics support in project implementation as and when required. That approach was successfully pursued with respect to three large projects in the Gaza Strip. Under the self-help programme for environmental health, the Agency contributed building materials for projects such as paving of pathways and construction of surface drains in camps, with the work being carried out by local volunteers.

62. Health education and promotion activities, core elements of the Agency's health programme, focused during the period under review on the development of two multidisciplinary initiatives to promote healthy lifestyles among the refugee population, especially young people. With the support of WHO, a school health curriculum on the prevention of HIV/AIDS and other sexually transmitted diseases was prepared, implemented and evaluated in 50 preparatory schools Agency-wide. The use of the curriculum in all Agency schools as well as in women's programme and youth activity centres was under consideration, subject to availability of funds. Following an Agency-wide study to assess smoking habits among refugee pupils, an education package supported by appropriate audio-visual material was prepared with the objective of preventing the onset of tobacco use among school children by helping them to understand the short- and long-term effects of smoking and by encouraging sports and recreational activities as requisites to good health. The materials would be used in Agency preparatory schools beginning in the 1996/97 school year. Both initiatives were closely coordinated among the Agency's education, health and relief and social services departments. As part of the Agency's regular health education activities, a programme on women's health was offered through women's programme centres in all five fields of operation.

C. Relief and social services

63. Activities within the relief and social services sector were carried out in coordination and cooperation with local authorities and non-governmental organizations in all five fields, with joint initiatives in specific areas such as training of community workers and volunteers. In the West Bank and Gaza Strip, the Agency sought to deepen its working relationship with the Palestinian Authority departments for social affairs, youth and sports, and housing, including through information-sharing, in particular to assist the Authority in executing a specific task; input into the Authority's policy formulation, programme planning and project development processes; and facilitation of the Authority's support for community-managed programmes. Coordination with the social affairs department was formalized on two levels, whereby joint technical working groups would present findings and recommendations on specific issues to a policy and planning group charged with overseeing the process. In

August 1995, a working group on direct relief assistance submitted a report comparing the Agency's special hardship programme with the Palestinian Authority's counterpart scheme. Further action within the coordination framework had to await the Palestinian elections in January 1996 and the subsequent assignment of portfolios. In the housing sector, the Agency undertook to assist with a survey of housing and related infrastructure in refugee camps in the West Bank and Gaza Strip, to be shared with the Palestinian Authority upon completion in late 1996. In October 1995, the Palestinian Authority youth and sports department requested and was promised the Agency's assistance in developing indoor sports facilities for youth, training youth activity centre members in leadership and management, and promoting sports activities for girls as well as boys.

64. The number of Palestine refugees registered with UNRWA at 30 June 1996 stood at 3.31 million, an increase of 4.4 per cent over the 30 June 1995 figure of 3.17 million. The rate of increase again exceeded estimated net population growth, reflecting the continuing tendency of refugees not previously registered with the Agency to update their records, especially in Jordan. Forty-one per cent of all Palestine refugees were registered in Jordan, 22 per cent in the Gaza Strip, 16 per cent in the West Bank, 11 per cent in Lebanon and 11 per cent in the Syrian Arab Republic. Of the refugee population, 38 per cent were age 15 or under, 53 per cent were between 16 and 59 years of age, and 9 per cent were age 60 or older. The relief and social services programme had an operating budget of $36.6 million in 1996, accounting for 11 per cent of the total Agency budget, with its 749 staff representing 3.5 per cent of all Agency staff.

65. The Agency continued to develop a unified registration system, a project begun in 1993 to improve access to and the security of data on refugees and to facilitate programme planning and management. The system comprised three components - a database of all registered individuals and families, family files containing key documentation from the pre-1948 period to the present and a socio-economic profile of individuals and families enrolled in the special hardship programme - which would be electronically integrated when the project was completed. Progress was slowed by the absence of special funding for completion and the resulting need to rely on the limited resources available from the regular budget. The process of downloading the registration database to field level was completed with its installation in Lebanon in March 1996, and the system was transferred from the Agency's Vienna headquarters to that based in Amman. A pilot project was developed for the scanning of the hard copy family files. With the endorsement of the Palestinian Authority, a research organization developed a proposal to conduct a feasibility study on the preservation and organization of UNRWA archives and refugee registration data and documents, for which adequate funding was still being sought.

66. Through its special hardship programme, the Agency provided material and financial aid to refugee families without a male adult medically fit to earn an income and without other identifiable means of financial support sufficient to cover food, shelter and other basic needs. As a result of stricter application of eligibility criteria, the number of special hardship cases declined Agency-wide in both absolute and relative terms during the period under review, from 181,437 at 30 June 1995, representing 5.7 per cent of the registered refugee population, to 179,178 at 30 June 1996, representing 5.4 per cent. A revised set of instructions for the management of the programme went into effect in September 1995 under which authority to approve cases was decentralized, paperwork reduced and simplified, and more effective systems for monitoring and control put into place. The decrease in the number of cases did not necessarily reflect declining need among the refugee population, as the programme did not

provide assistance to families in which there were employable but unemployed male adults. Nonetheless, deteriorating socio-economic conditions including unemployment contributed indirectly to demand for assistance by inducing nuclear families that might have been able to rely on the support of income-earners in the extended family to seek special hardship assistance instead. The percentage of refugees enrolled in the programme continued to be highest in the Gaza Strip and Lebanon and lowest in Jordan, with slight increases in the absolute number of participants registered in the Gaza Strip and Jordan.

67. Assistance provided under the special hardship programme included food rations distributed every two months, increased subsidies for hospital care, cash assistance on an ad hoc basis to families facing extreme difficulty, eligibility for Agency shelter rehabilitation and poverty alleviation initiatives, and preferential access to UNRWA training centres. Ensuring continuity in the supply of food commodities was a central concern of the Agency during the reporting period. The food ration, and the flour component in particular, had over the decades become for the Palestine refugees a deep-seated political symbol of the international community's continuing recognition of their refugee status. Although it was generally acknowledged that there was no serious food shortage in the region, but rather a lack of purchasing power, there was considerable resistance to any change in the form of assistance. In August 1995, for example, the Palestinian Authority urged the Agency not to introduce any changes until the question of the refugees was resolved, notwithstanding the Authority's own reliance on cash as the principal instrument of welfare support. However, the amount of commodities which had traditionally been donated to the Agency was no longer forthcoming, and existing stocks were expected to be fully consumed in the second half of 1996. The Agency was still negotiating a solution with donors at the end of the reporting period.

68. The Agency continued to the extent permitted by available resources to address the urgent housing needs of the poorer segment of the refugee population, which were most acute in the Gaza Strip and Lebanon. Efforts were focused on the estimated 25 per cent of special hardship families living in accommodations which did not meet minimally acceptable standards. Generous contributions under the Peace Implementation Programme as well as funds from the regular budget enabled the Agency to repair or reconstruct 2,556 shelters belonging to special hardship families and other impoverished refugees during the reporting period, of which 2,307 were in the West Bank and Gaza Strip. Many shelters were rehabilitated under a self-help programme whereby the Agency provided financial and technical assistance in return for which beneficiary families were responsible for arranging volunteer labour to accomplish the work, an approach welcomed by many refugees. Work on the remaining shelters was carried out by small camp-based contractors engaged by the Agency, with the aim of creating employment within the refugee community. The rehabilitation programme for special hardship cases in Lebanon resumed in mid-1995, and the Agency was seeking additional funding to meet the pressing housing needs in that field.

69. Jointly with UNHCR, the Agency undertook three missions during the reporting period to assess the situation of Palestinians required to leave the Libyan Arab Jamahiriya who were encamped at the Salloum checkpoint on the Libyan-Egyptian border, most of whom had arrived there in September and October 1995 following the termination of their work contracts and right of residence in the Libyan Arab Jamahiriya. In September 1995, UNRWA and UNHCR appealed to the Libyan authorities and concerned Governments to exercise compassion and restraint in handling the matter. The first joint mission, undertaken in October 1995 in cooperation with WHO and an international

non-governmental organization, conducted an assessment of needs and resources at the camp. The two subsequent missions, in February and May 1996 were devoted principally to monitoring living conditions in the camp and the health status of residents. In addition to delivering medical supplies and equipment for use in the Salloum camp, UNRWA provided emergency assistance, including blankets, supplementary food items and medical care to 36 Palestinians stranded at the Rafah crossing between Egypt and the Gaza Strip, and followed up on several individual requests for family reunification. The Agency remained concerned at the living conditions and health status of some 150 persons still stranded at Salloum at the close of the reporting period, and continued to monitor the situation together with UNHCR.

70. Further progress was achieved in the 1995-2000 five-year plan to promote community management and financial sustainability in the Agency's community-based services for women, youth and persons with disabilities. The focus during the period under review was on institution-building and the acquisition of independent revenue sources for the 125 Agency-sponsored community centres that served as the main conduit for those services. By mid-1996, 42 of the 68 women's programme centres as well as all 30 community rehabilitation centres and 27 youth activity centres were managed by local committees, with UNRWA continuing to provide financial and technical support. Income-generating projects had been established at most centres and were being planned at others, in order to generate revenue to defray operating costs, provide income to participants and demonstrate that disadvantaged groups could be successfully integrated into viable socio-economic enterprises. In January 1996, the Agency's financial support for the women's programme centres switched from direct expenditure to subsidies against approved budgets, a method which would increase accountability and cost-effectiveness. To strengthen the new relationship that the Agency sought to forge with the centres, Agency staff and community representatives were trained in the skills necessary for self-management of the centres, including the structure and functioning of governing boards and managing committees, development of organizational constitutions and by-laws, programme and administrative planning and management, and budget preparation and accounting. To promote greater community participation and to facilitate longer-term integration into local networks of organizations sharing similar objectives, the Agency worked to promote linkages between the centres and local non-governmental organizations. The longer-term objective of the five-year plan was to secure the viability of the Agency's legacy to the Palestinian people in the social services sector. The Agency's actions to promote self-reliance were positively received within the refugee community, which saw them as contributing to the development of leadership and managerial and advocacy skills and the empowerment of communities and vulnerable groups. In addition to their institution-building endeavours, the women's programme, community rehabilitation and youth activity centres continued to offer a broad spectrum of services and activities in accordance with local needs and priorities. The Palestinian Women's Initiative Fund supported the establishment of a food production unit in Jordan and literacy classes in Lebanon, with production units financed by the Fund in previous years continuing to operate and expand.

D. Income generation

71. The Agency's income-generation programme continued to grow in size and scope during the period under review, expanding its capital base and loan portfolio and undertaking new credit-providing and training initiatives, particularly in the Gaza Strip. Established in 1991 in response to

deteriorating socio-economic conditions and rising unemployment for Palestine refugees in the area of operations, the income-generation programme aimed at creating employment, generating income and supporting sustainable business enterprises within the refugee community. The programme targeted small-scale and micro-enterprises in the formal and informal sectors of the economy producing goods for sale locally and abroad. Such enterprises normally had limited access to credit owing to the inability of most small entrepreneurs to meet the collateral requirements of formal banking institutions. By using other guarantee mechanisms, the income-generation programme sought to make finance capital available at reasonable interest rates for the expansion of existing enterprises and the establishment of new ones and actively encouraged the participation of women. The programme adopted a decentralized approach whereby each field developed its own initiatives and received donor contributions, with the exception of the Syrian field, which did not have an income-generation programme. As at mid-1996, the four field-based programmes had issued loans to a total of 2,545 enterprises and accumulated a combined capital base of $11 million, creating or saving an estimated 4,000 jobs. The income-generation programme was distinct from the income-generation activities carried out under the Agency's poverty alleviation programme, which sought to assist refugee families below the poverty line to rise above it and become self-reliant, as well as to help Agency-sponsored community centres to become financially sustainable.

72. The leading field-based income-generation programme was in the Gaza Strip, where four separate subprogrammes were operating. The largest was the small-scale enterprise programme, which offered loans for capital investment to new and expanding enterprises and working capital to established enterprises. During the period under review, it disbursed $2.4 million in loans ranging in value from $1,000 to $75,000 to 140 businesses, creating or saving 843 jobs. Loan recipients were drawn principally from the manufacturing and service sectors of the economy, and included some modern factories engaged in batch and mass production. Among such enterprises were a tile-making plant, plastic component manufacturer, small construction firm, furniture-making business, carpentry workshop, bakery, and hairdressing salon. A total of 10 per cent of the enterprises were run by women, and 29 per cent were new. Thorough loan application and screening procedures, cross-checks, management information systems and guarantee mechanisms were utilized, and borrowers had to agree to match 20 to 50 per cent of the value of the loan with an investment from their own resources. With an overall loan recovery rate of 99 per cent and a capital base of $7.6 million, the small-scale enterprise programme was the most successful of its kind in the Gaza Strip, and represented the largest single source of investment in the private sector. Despite growth in operating expenses, the programme was becoming increasingly self-sufficient and was expected to be fully so by the end of 1997. At that time, it would be able to stand alone as a non-profit development finance institution that could be independently incorporated or integrated with another financial or banking organization.

73. In the Gaza Strip, special attention was devoted to the informal sector of the economy, where an increasing number of men and women were compelled to work as a result of diminishing employment opportunities in Israel and locally. The Agency's solidarity-group lending programme, established in May 1994, offered loans to women working in micro-enterprises and as street vendors. During the period under review, loans worth $619,467 were provided to 1,089 women, who supported some 8,200 dependants. Participants were organized into 181 solidarity groups of 4 to 10 members that served as the guarantee mechanism: as long as each member of the group was current in her repayments, all members were

eligible for additional loans. As they established their credit-worthiness, participants became eligible for increasingly larger loans, with first-time borrowers receiving loans ranging from $330 to $1,000 and those at the end of the third loan cycle receiving loans ranging from $2,000 to $8,000. Simple application and review procedures and flexible terms enhanced the accessibility of the programme.

74. In February 1996 the Agency broadened its credit activities in the Gaza Strip with the establishment of a micro-enterprise credit programme, which aimed to provide working capital loans to formal and informal enterprises. The programme strategy resembled that of the solidarity-group lending programme, except that it was open to men as well as women and that loans were provided on an individual rather than a group-guarantee basis, with post-dated cheques serving as the guarantee mechanism. The four to six-month loans began at around $1,000 each, with borrowers eligible for increasingly larger loans as they paid off earlier ones. By mid-1996, 370 loans had been awarded with a total value of $373,167. The programme targeted the 12,000 to 18,000 small and micro-enterprises in the Gaza Strip, which employed some 40 per cent of the labour force. The large size of the target group and the absence of available credit gave the programme great potential for growth, and it was hoped that it would soon be financing 200 borrowers per month. At the close of the reporting period, the solidarity-group lending programme and the micro-enterprise credit programme had a combined capital base of $555,655 and overall repayment rates of 100 per cent. Credit activities were supplemented by the Agency's small and micro-enterprise training programme in the Gaza Strip. From its introduction in June 1995 through mid-1996, 391 participants were trained in a range of subjects including marketing, product pricing, management, business communication, financial planning and how to start a business. Fees were charged to partially offset operating costs. A special contribution was received to expand the programme significantly over a two-year period.

75. As part of the income-generation programme, the Agency also operated revolving loan funds for small-scale enterprises in the West Bank, Jordan and Lebanon. Steps were taken to restructure and revitalize the West Bank programme during the reporting period. It was decided to discontinue the bank guarantee programme for business development as outstanding loans were recovered, and to establish in its place a small-scale enterprise portfolio similar to that in Gaza. To that end, staff were recruited, a new bank agreement was concluded, and internal administrative and financial procedures were strengthened. The new programme became operational in February 1996, and by the end of the reporting period had issued loans valued at $726,400 to 47 businesses. At mid-1996, the capital base of the programme stood at $2 million. During the reporting period the income-generation programme also awarded 32 loans valued at $231,168 to small-scale enterprises in Jordan, and 20 loans valued at $130,500 in Lebanon. At mid-1996, those programmes had capital bases of $494,208 and $316,000 respectively, and overall repayment rates above 95 per cent.

E. Peace Implementation Programme

76. The UNRWA Peace Implementation Programme (PIP) continued to attract generous funding from donors, enabling further expansion in the extent and scope of its activities. Launched in October 1993 soon after the signing of the Declaration of Principles, PIP aimed at making the results of the peace process felt at the local level through a wide-ranging investment programme to develop infrastructure, improve living conditions and create employment opportunities in refugee communities. The first phase of the programme (PIP I) was developed

following consultations with the Palestinian leadership and the Agency's major donor and host Governments, and drew upon the recommendations of the Secretary-General's 1993 task force on the economic and social development of the Gaza Strip and Jericho. To help ensure that the tangible benefits of peace were distributed throughout the refugee community, UNRWA emphasized the importance of projects in Jordan, Lebanon and the Syrian Arab Republic. PIP I was replaced by the programme's second phase (PIP II) in September 1994, after close coordination with the Palestinian Authority and the Palestinian Economic Council for Development and Reconstruction (PECDAR). PIP II shared the same basic goals as its predecessor, with additional emphasis on projects that would minimize subsequent recurrent costs, complement projects undertaken directly by the Palestinian Authority and, once funded, be implemented within 24 months.

77. During the period under review, the Agency received $68.9 million in pledges and contributions under PIP II, raising the total amount received under both phases from $123.7 million at mid-1995 to $192.6 million at mid-1996. Of the latter amount, $116.8 million was for projects in the Gaza Strip, $42.6 million for the West Bank and $33.1 million for Jordan, Lebanon and the Syrian Arab Republic combined. About $68.7 million was for projects in the education sector, $61.8 million in the health sector, $46.7 million in the relief and social services sector, $10.8 million towards the income-generation programme and $4.6 million for other categories. In December 1995, the Agency began to produce biannual shortlists of priority PIP projects as a tool to facilitate interaction with donors and ensure a more consistent and targeted fund-raising approach. Those lists were presented to the Multilateral Working Group on Refugees and the World Bank Consultative Group for the West Bank and Gaza Strip, as well as to the Agency's own major donors. At mid-1996, the Agency was seeking special contributions from donors for its second priority list of unfunded PIP projects in various sectors and fields, with a value of $150.7 million.

78. PIP projects were prepared to reinforce and support the Agency's regular programmes, in large part by helping to maintain infrastructure at a standard required for adequate provision of services. The foremost priority was projects in the education sector, where special contributions helped the Agency to expand services at a rate commensurate with natural growth in the student population and to cater to the needs of children of newly arrived refugee families in the West Bank and Gaza Strip. By the close of the reporting period, the Agency had received funding to construct 43 schools and 78 additional classrooms in those fields. In Jordan, Lebanon and the Syrian Arab Republic, donors focused on vocational training, contributing $2.4 million for projects to upgrade and expand Agency vocational and technical training centres in those fields. In the health sector, projects to improve environmental health conditions for the refugee community continued to attract strong donor support, accounting for $29.6 million of total PIP pledges and contributions as at mid-1996. During the reporting period, contributions received mainly through PIP in the amount of $2.6 million for hospitalization expenses and medical supplies in Lebanon allowed the Agency to meet the growing need for primary and secondary health care. The European Gaza Hospital project had received $41.2 million in pledges and contributions by mid-1996. In the relief and social services sector, shelter rehabilitation represented the largest project category, having received $31.8 million under PIP since October 1993. The Agency received funding for two special projects in the Gaza Strip - an after-school recreation programme initiated in October 1995, and an emergency employment creation programme begun in March 1996. Funding was also received for projects in the West Bank and Gaza Strip that would have a beneficial short-term impact on unemployment. They

included projects for income-generation activities, shelter rehabilitation and improvements to education infrastructure.

79. The positive response of donors to PIP enabled the Agency to undertake projects that, in number, value and scope, far surpassed its traditional level of project activity. Under both phases of PIP, UNRWA had completed by mid-1996 construction of 31 schools, 64 classrooms, 13 specialized rooms, 7 health centres or points, one mother and child health clinic, boundary walls around 83 Agency installations, 65 school playgrounds, 21 toilet blocks and 1,408 garbage depository sites. A total of 49 schools had received comprehensive maintenance, 100 had had windows replaced and 67 had been repainted. The improvements to education infrastructure included comprehensive maintenance on 25 Palestinian Authority schools, as well as construction of 15 playgrounds and 5 boundary walls at Authority schools. Projects to improve sewerage, drainage and water supply systems had been carried out or begun in a number of camps and adjacent municipalities, and six environmental health feasibility studies had been conducted. The Agency had rehabilitated 6,381 shelters, including 3,869 on a self-help basis. The College of Nursing and Allied Health Sciences in the Gaza Strip had been constructed, and three health centres and three mother and child health clinics upgraded. Eight projects had been completed for the upgrading, renovation or expansion of four Agency vocational and technical training centres. Seven women's programme centres had been established, and renovation or upgrading carried out on nine youth activity centres, five women's programme centres and three community rehabilitation centres. PIP funding expanded the capital base of the income-generation programme, allowing dramatically increased loans to refugee entrepreneurs.

80. In addition, a large number of funded PIP projects were still under way at the close of the reporting period. In general, project implementation proceeded satisfactorily in all five fields, although the strict closure of the West Bank and Gaza Strip imposed in February 1996 resulted in delays and cost increases in some projects. During the initial two weeks of the closure, when an internal closure of the West Bank was also in force, Agency construction projects in that field were brought to a standstill.

III. FINANCIAL MATTERS

A. Fund structure

81. UNRWA modified the format of its budget presentation in 1995 to differentiate more clearly between programme and project costs. Under the new format, utilized for the preparation of the Agency's budget for the biennium 1996-1997, UNRWA received contributions and incurred expenditure against the following headings:

(a) Regular budget:

(i) General Fund;

(ii) Extraordinary measures for Lebanon and the occupied territory (EMLOT);

(b) Projects, or extrabudgetary activities:

(i) Peace Implementation Programme (PIP);

(ii) European Gaza Hospital project;

(iii) Move of Agency headquarters to the area of operations;

(iv) Expanded programme of assistance (EPA).

82. The budget for the General Fund covered all costs incurred in the implementation of the Agency's regular programmes in the education, health and relief and social services sectors. It also included those functions required to support the regular programmes, such as administration, management, budget, finance, supply, transport, and technical and information services. Under the new budget format, items that had previously been budgeted as funded ongoing activities were incorporated into the General Fund, which represented mainly recurrent costs. Funded ongoing activities had included those which formed an intrinsic part of the Agency's three regular programmes, but which had separate donor funding, such as the Ramallah men's and women's vocational and technical training centres.

83. EMLOT was created in 1990 to provide emergency assistance to Palestine refugees in areas of special crisis. Owing to financial shortfalls and improvement in the political and security situation in the areas targeted by the fund, EMLOT activities have been scaled back and the budget has been substantially reduced in recent years. Under the new budgetary format, EMLOT activities were limited to the refugee affairs officer programme and related functions in the West Bank and Gaza Strip. With the phasing out of those activities, EMLOT would cease to exist.

84. Contributions received under PIP mainly covered non-recurrent expenditures on projects to upgrade and extend basic infrastructure in the education, health and relief and social services sectors. PIP funding was also received to expand the income-generation programme, improve environmental health infrastructure and services and undertake other activities on a project basis. In the preparation of the budget for the biennium 1996-1997, items that had been classified under the capital and special projects (CSP) category in the previous budget format were shifted from the regular budget to PIP. CSP had comprised activities and

infrastructure development initiatives that would be implemented only if earmarked contributions were made available.

85. The European Gaza Hospital project, initiated in 1990 to alleviate the serious shortage of hospital beds and adequate medical services in the Gaza Strip, was nearing completion at mid-1996. Funded activities included construction, equipping and design of the hospital, as well as administrative and staff costs associated with the project and with the commissioning of the hospital. While contributions received under PIP for the hospital were considered part of PIP funding, they were internally budgeted and accounted for in the special project account, which pre-dated PIP.

86. A special extrabudgetary account was established for the move of the UNRWA Vienna headquarters to the area of operations, in accordance with the wish of the Agency's donors that the move not be financed out of the regular budget. The move was expected to result in savings to the Agency deriving mainly from lower salary and operating costs in the area of operations, which would begin to accrue some time after the transferred units became fully operational. Accordingly, a contingency reserve was established in the amount of $8.8 million for the biennium 1996-1997, into which any savings realized would be temporarily placed for use in meeting extraordinary costs associated with the move.

87. The introduction of PIP made EPA redundant. EPA was established in 1988 to improve living conditions in refugee camps and upgrade UNRWA infrastructure in the West Bank and Gaza Strip, and subsequently in the entire area of operations. During the reporting period no new contributions were accepted under EPA, which would be phased out upon completion of projects funded in previous years.

B. Budget for the biennium 1996-1997 and biennial expenditure for 1994-1995

88. UNRWA prepared its budget on a biennial basis, although operations were funded on an annual basis. The budget for the biennium 1996-1997 was prepared in accordance with the basic assumptions of the financial and policy planning framework for the period 1995-1999, which the Agency had put forward at the March 1995 meeting at Amman of major donor and host Governments and Advisory Commission members. Accordingly, the budget contained a provision in the amount of $12.7 million per annum to be set aside towards payment of an estimated $127 million in termination indemnities that would accrue to the Agency's area staff upon the eventual dissolution of UNRWA. Taking that provision into account, the overall growth rate in the Agency's regular budget for the biennium was 5 per cent per annum, similar to the growth rate in previous years. An updated version of the financial planning horizon covering the period 1996-2000 was presented at a similar meeting at Amman in May 1996.

89. The budget for the biennium 1996-1997 was prepared and adopted in 1995, with a total volume of $692 million (see annex I, table 12). Consistent with past practice, the entire biennial budget was reviewed by the Agency's Advisory Commission, and its administrative and support cost aspects were submitted to the Advisory Committee on Administrative and Budgetary Questions, which conveyed its views on that portion of the budget to the Advisory Commission. Following consultations with the Advisory Commission, the Commissioner-General submitted the budget to the General Assembly, which approved it in December 1995. The results of the Agency's biennial closure of accounts are reflected in the Agency's current financial situation, as described below.

C. Income and sources of funding

90. UNRWA's operations were financed almost entirely by voluntary contributions, which accounted for 95 per cent of income towards the regular budget in 1995. The great majority of those contributions were received in cash, although 8 per cent of income was received in kind, mainly as donations of food commodities for distribution to needy refugees. Five per cent of income was received from other United Nations bodies to cover staffing costs, including funding of 92 international posts by the United Nations and assistance from UNESCO and WHO in the staffing of the education and health programmes.

D. Current financial situation

91. UNRWA ended the biennium 1994-1995 with an adjusted deficit of $14.4 million in its regular programme, of which $6 million was recorded against 1994 and $8.4 million against 1995. That deficit reduced the Agency's working capital by more than half, from $22.6 million at the beginning of the biennium to $8.2 million at its close. Towards the end of the reporting period, the Agency was faced with an increasingly precarious cash position, with available reserves barely sufficient to meet routine payments and a possibility that the Agency would run out of cash in the months ahead.

92. The 1995 deficit was the third consecutive annual deficit that the Agency had experienced. At the end of June 1995, the Agency had estimated a year-end deficit of $16 million. To avert that outcome, which would have depleted the Agency's working capital entirely, $12 million in salary increases were deferred from 1995 to 1996, reducing the estimated deficit to $4 million. However, non-payment of a pledge in the amount of $2.6 million and other adjustments in late 1995 increased the actual 1995 deficit to $8.4 million.

93. The official reported 1994-1995 deficit, representing total income minus total expenditure over the biennium as reflected in the accounts, in millions of United States dollars, was as follows:

General Fund	Funded ongoing activities	EMLOT	Total
(15.7)	(5.2)	7.6	(13.3)

Taking into account various factors, including contributions received in 1994 but belonging to 1993, outstanding contributions for 1994-1995 receivable in 1996, non-regular projects temporarily charged to the General Fund and an adjustment to the fund balance of funded ongoing activities, the adjusted real 1994-1995 deficit was $14.4 million.

94. In general, UNRWA deficits could be attributed to two root causes. First, some donors were unable to raise their contributions commensurate with the Agency's annual budget increase of 5 per cent, which was the minimum increase necessary to accommodate natural growth in the refugee population and unavoidable cost increases in all fields owing to inflation. Second, unexpected needs in the area of operations required UNRWA to utilize funds in excess of budgeted ceilings. Contributing to the latter tendency were the increasing demands placed upon the Agency within the context of the rapidly changing political environment in the region.

95. Funds received for extrabudgetary activities - which for the biennium 1994-1995 included funds received under PIP, EPA and CSP - could not be used to offset the deficit in recurrent costs, as they were earmarked for specific projects. There remained an imbalance between the large amount of funding received under PIP in recent years and the continuing shortfall in the funds made available for the Agency's regular budget. The impact of increased project volume on the General Fund was an issue of growing concern, as the recurrent costs associated with a given project would revert to the General Fund after an initial three-year period.

96. In view of those circumstances, UNRWA continued to exert strenuous efforts to bring income and expenditure into line, so as to make optimal use of its resources. In February 1993, faced with a worsening financial situation, the Agency introduced $17 million in austerity measures, including a general salary freeze and cuts in the budget allocations for additional teacher posts, hospitalization, medical supplies, duty travel and temporary labour. In the absence of sufficient funding to restore previous budgetary ceilings, those reductions were largely carried over into the 1994-1995 and 1996-1997 budgets. In September 1994, the Agency reduced the budget for the biennium 1994-1995 by an additional $7.5 million to accommodate unavoidable cost increases. Beginning in late 1995, the Agency was indirectly affected by the cost containment exercise implemented by the United Nations in its regular budget.

97. In response to deficit projections of a magnitude that would exhaust the Agency's already meagre working capital, UNRWA introduced a further $9 million in austerity measures as of June 1996, including a freeze in recruitment of certain posts and cuts in the budget allocations for construction, maintenance, hospitalization, medical supplies, temporary labour, vehicles, computers, and equipment and supplies. Despite exchange rate gains in early 1996, at mid-year the Agency faced an estimated core 1996 deficit of $9.3 million and a cumulative deficit of $32.5 million, taking into account the $23.2 million required to restore the austerity measures introduced in February 1993 and June 1996. Over and above the cumulative deficit, the Agency required $12.7 million for the termination indemnities fund, raising to $45.2 million the total amount needed for the Agency to discharge its commitments and obligations for 1996. Taken as a whole, the deficit reduction measures of recent years had a detrimental impact on the quality of UNRWA services to the Palestine refugee population and jeopardized the Agency's ability to maintain those services at existing levels. The Agency was planning to raise the issue of its continuing yearly deficits at an extraordinary meeting scheduled for September 1996.

98. With substantial progress achieved during the reporting period in effecting the move of the UNRWA Vienna headquarters to the area of operations, efforts continued to raise the required funds directly from donors. At mid-1996, the Agency had received $9.6 million in pledges and contributions towards the move, which was budgeted at $13.5 million. The option of resorting to the contingency reserve to cover the shortfall was not preferred, as it would amount to an advance of General Fund monies against unrealized future savings. A funding shortfall was also experienced with respect to the special budget for the European Gaza Hospital. At mid-1996, less than half of the $41.2 million in total pledges had actually been contributed, obliging the Agency to advance monies out of the General Fund. UNRWA continued to take steps to obtain the necessary funds from donors.

IV. LEGAL MATTERS

A. Agency staff

99. There was a considerable rise in the number of staff members arrested and detained by the Palestinian Authority during the reporting period. A total of 93 staff members were arrested and detained in the Gaza Strip, compared with 58 last year. While the majority were detained for only short periods and 77 were released without charge or trial, by the end of the reporting period 16 staff members remained in detention. In the West Bank, a total of 13 staff members were detained by the Palestinian Authority and 3 by the Israeli authorities. Of those, nine remained in detention by the Palestinian Authority and two by the Israeli authorities at the end of the reporting period. No staff members were detained in the Syrian Arab Republic and only one in Jordan, a decrease in both fields as compared to the preceding reporting period. One staff member was detained in Lebanon. At mid-1996, no staff remained in detention in Jordan, Lebanon or the Syrian Arab Republic. A total of 111 staff members were detained throughout the area of operations during the reporting period. Of those, 84 were released without charge or trial and 27 remained in detention at 30 June 1996 (see annex I, table 10).

100. As in previous years, while UNRWA continued to make frequent approaches to the relevant authorities in all its areas of operation, it was not provided with adequate and timely information as to the reasons for the arrest and detention of its staff members. In the absence of sufficient information, the Agency was unable to ascertain whether the staff members' official functions were involved, bearing in mind the rights and duties flowing from the Charter of the United Nations, the 1946 Convention on the Privileges and Immunities of the United Nations and the relevant staff regulations and rules of UNRWA.

101. The Agency obtained access to all staff members from the West Bank detained by the Israeli authorities during the present and previous reporting periods, in contrast to the difficulties referred to in last year's report. The Agency also had access to all staff from the West Bank detained by the Palestinian Authority. In the Gaza Strip, however, the Agency experienced considerable difficulties in obtaining access to detained staff, and was able to visit only four staff detained by the Palestinian Authority, though, as emphasized last year, it should be noted that most such detentions were for relatively short periods. The treatment and state of health of staff members in detention continued to be of concern to UNRWA, with staff after their release by both the Palestinian Authority and the Israeli authorities complaining of having been subjected to various forms of physical and psychological mistreatment. Despite continued approaches to the relevant Governments, the Agency was unable to visit staff who had been detained in Jordan, Lebanon and the Syrian Arab Republic.

102. Apart from the situation of staff members in detention, the mistreatment of staff in the West Bank and Gaza Strip by members of the Israeli security forces, instances of which had been reported in previous years, was not an issue during the current reporting period.

103. The procedures instituted by the Israeli authorities to regulate entry to and exit from the West Bank and Gaza Strip, described in last year's report, became substantially more restrictive during the reporting period. Such procedures comprised the imposition of systems of exit permits and checkpoint controls, including searches, and the sealing of the West Bank and Gaza Strip for lengthy periods. As a result, the movement of Agency staff and vehicles

into and out of the West Bank and Gaza Strip was considerably impeded and frequently prevented. Following a spate of bombing incidents in Israel and the consequent sealing of the West Bank and Gaza Strip for three months, exit permits were cancelled generally and UNRWA area staff were unable, for the most part, to exit those areas. During that time, approximately 270 UNRWA staff members living in the West Bank were prevented from attending to their duties at the Agency's West Bank Field Office and at UNRWA schools and health centres located in Jerusalem. Subsequently and until the end of the reporting period, exit from the West Bank and Gaza Strip remained severely restricted, and staff members who were residents of East Jerusalem were prevented from entering the Gaza Strip. The Agency sought to establish with the Israeli authorities appropriate procedures to enable staff to resume their duties in Jerusalem; by the end of the reporting period that had not been satisfactorily achieved. Checkpoint controls established between different areas of the West Bank also impeded the effective movement of UNRWA staff and vehicles. Those various restrictions had clear cost and other implications for Agency operations.

104. The particularly severe restrictions on movement out of the Gaza Strip and on entry to Gaza by residents of East Jerusalem required the Agency to use international staff as drivers to enable the Agency to operate effective transport facilities. At the Erez checkpoint, the Israeli authorities insisted on conducting comprehensive searches of UNRWA vehicles exiting the Gaza Strip, including on occasion those transporting senior Agency officials. Those searches included internal and external searches of Agency vehicles, on occasion resulting in damage. The search procedures also resulted in time-consuming delays, sometimes of several hours, for Agency staff exiting the Gaza Strip. Throughout its negotiations with the Israeli authorities on that issue, the Agency placed special emphasis on the necessity of establishing effective procedures that would facilitate movement into and out of the Gaza Strip, especially in the context of the relocation of UNRWA headquarters there. However, difficulties in that respect increased during the reporting period, and it was expected that, following the relocation, those restrictions would constitute a serious impediment to the effective functioning of headquarters.

105. Particularly as a result of the severe restrictions on movement described above, there continued to be lengthy delays in the clearance of local staff for official travel, including travel between the West Bank and Jordan via the Allenby Bridge. Further, the Israeli authorities refused to grant service visas to UNRWA headquarters staff members, including members of the Agency's international staff, who held residence in the West Bank and Gaza Strip and were being transferred to the Agency's newly established headquarters in Gaza, and required them to enter on their private travel documents. As their entry and freedom of movement would have suffered restrictions and delays as a result, the Agency was obliged to redeploy some of those staff members to its other offices, where they could perform their duties free from those constraints.

B. Agency services and premises

106. Agency services in the West Bank and the Gaza Strip continued to be provided in the context of the political developments generated by the Declaration of Principles of September 1993 and subsequent agreements, in particular the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip of 28 September 1995. In that connection, the Agency continued in its efforts to contribute to the development of social and economic stability in the West Bank and Gaza Strip, as the Palestinian Authority increased its powers and responsibilities throughout the area. In the context of the political

tensions and occasional violent incidents that occurred in the area, the Agency experienced considerable difficulties in providing its services effectively as a result of Israeli security measures.

107. The Agency continued to provide legal advice and assistance, including financial assistance, to refugees seeking to undertake legal and bureaucratic procedures, in particular in the matter of applications in cases of family reunification to the Gaza Strip. The Agency continued in its efforts to support initiatives directed at the development of legal infrastructure in the area, and in particular the development of a law centre at Bir Zeit University in Ramallah, where the Agency provided financial assistance for the procurement of necessary administrative infrastructure and funded the establishment of four scholarships for the centre's master of arts programme in law. It was envisaged that priority in awarding those scholarships would be given to Palestine refugees, and in particular those in the Gaza Strip. The Agency's refugee affairs officer programme, which, in line with the political developments described above, had earlier been discontinued in the Gaza Strip and substantially reduced in scale in the West Bank, was also discontinued in the West Bank during the reporting period.

108. In line with the marked reduction reported last year in the number of incursions into UNRWA installations by members of the Israeli security forces, consequent on the large-scale redeployment of Israeli military forces, the number of such incursions in the West Bank during the reporting period fell from 11 to 4. In the Gaza Strip, there were no instances reported of such incursions. There were several instances where members of the Palestinian Police Force entered UNRWA installations in the West Bank, with a few minor instances reported in the Gaza Strip. On those occasions, the Agency's position was clearly represented to the Palestinian Authority.

109. On 20 and 22 March 1996 in Fawwar camp in the West Bank, the Israeli authorities demolished two refugee shelters and on 2 April 1996 sealed one shelter for punitive reasons. The Agency protested against those measures as contrary to articles 33 and 53 of the Geneva Convention relative to the Protection of Civilian Persons in Time of War. Outside refugee camps, eight dwellings were demolished for punitive reasons and none was sealed. In the Gaza Strip, as was the situation reported last year following the redeployment of Israeli military forces, no dwellings were demolished or sealed for punitive reasons. A considerable number of dwellings outside camps continued to be demolished on the grounds that proper building permits had not been obtained: in the West Bank, the Israeli authorities demolished 56 such constructions, compared with 78 during the previous reporting period; in the Gaza Strip, a number of constructions were demolished by the Israeli authorities in those areas where they remained in occupation, and a number were also demolished by the Palestinian Authority.

110. As a result of the strict and long-term closure of the Gaza Strip imposed by the Israeli authorities on 25 February 1996, following a spate of bomb attacks in Israel, the Agency experienced serious delays in importing supplies and other materials for its operations in Gaza, resulting in additional costs to the Agency. Agency vehicles transiting the Erez checkpoint, including UNRWA ambulances transporting patients, experienced lengthy delays, as described above. As Agency drivers holding East Jerusalem residency were not permitted to enter the Gaza Strip, the Agency had to institute procedures whereby, at the Erez checkpoint, drivers resident in Gaza were substituted for onward transport of staff and goods into Gaza.

111. UNRWA and the Palestinian Authority entered into an agreement dated 5 July 1996 regarding the relocation of UNRWA headquarters to Gaza which it was envisaged would provide the framework to secure the proper functioning of headquarters in the area and the effective administration of UNRWA operations in its five fields. The Agency also conducted negotiations with the Israeli authorities with a view to reaching certain practical arrangements relating to the relocation of the headquarters to Gaza, so as to supplement the existing legal framework. Those negotiations were still being pursued at the end of the reporting period.

112. The Israeli authorities informed UNRWA in December 1995 that, as from 1 January 1996, Israel would no longer bear responsibility for warehousing, labour for off-loading and handling, and transport of UNRWA supplies destined for the West Bank, in line with similar arrangements for the Gaza Strip referred to in last year's report. Thereafter, UNRWA advanced funds to cover those costs in relation to all its supplies destined for the West Bank and the Gaza Strip and submitted claims for those costs to the Palestinian Authority, in accordance with the provisions of the 24 June 1994 exchange of letters between the Commissioner-General of UNRWA and the Chairman of the Palestine Liberation Organization. By the end of the reporting period, no reimbursement had been made to the Agency by the Palestinian Authority, while the total amount advanced by UNRWA in that matter stood at $1.8 million. With regard to the reimbursement by the Palestinian Authority of payments made by the Agency against value-added tax referred to in last year's report, by the end of the reporting period $7.9 million claimed from the Palestinian Authority had not yet been reimbursed. As reported last year, a small amount relating to purchases made before June 1994 remained in dispute with the Israeli authorities.

C. Claims against Governments

113. UNRWA regretted that no progress was made with regard to its various claims against Governments.

V. JORDAN

A. Education

114. Enrolment at Agency schools in Jordan in the six-year elementary cycle and four-year preparatory cycle fell for the second consecutive year, from 149,932 pupils in 1994/95 to 148,004 in 1995/96. The decrease of 1,928 pupils was attributable to the movement of refugee families from Jordan to the West Bank and Gaza Strip and the transfer of refugee pupils from UNRWA schools to government schools, in particular newly built schools in the vicinity of some refugee camps. By comparison with UNRWA schools, government schools offered smaller class sizes, superior facilities and a shorter school week (five days as opposed to six). Overcrowding remained a problem at Agency schools, with 92 per cent operating on double shift and 23 per cent accommodated in unsatisfactory rented premises. In August 1995, the rates of voluntary contribution at Agency schools and training centres in Jordan were increased to bring them more into line with equivalent contributions in government schools; special hardship cases were exempt from those contributions. Merit-based university scholarships were awarded to 246 Palestine refugee pupils in Jordan in 1995/96, of whom 94 were women.

115. The number of Agency administrative schools in Jordan fell from 202 to 198 in February 1996 owing to the completion of a new 31-classroom building at Taybeh, which, operating on double shift, replaced 6 schools that had been occupying 3 rented buildings. With the completion of five other school buildings (two in Baqa'a, two in Marka and one in Sukhneh) during the reporting period, the Agency had successfully replaced all dilapidated prefabricated school premises in the Jordan field with new Agency-standard buildings and had reduced the number of unsatisfactory rented premises from 22 to 19. To meet the computer science requirement for the fourth preparatory grade, all newly constructed schools were provided with fully equipped computer rooms, and funds were being sought to build and equip such rooms in remaining schools. Four specialized rooms were built at schools that lacked such facilities, while eight specialized rooms and 12 classrooms to avoid triple shifts were under construction as at mid-1996.

116. The Agency continued to expand its special education programme, establishing four new centres for slow learners at Irbid, Jabal el-Hussein, Talbieh and Zarqa camps, which, together with four centres at other localities, allowed 485 slow learners to be integrated into the regular education programme. Mainstreaming efforts included 425 children with learning difficulties accommodated in 17 remedial classes and 20 deaf children accommodated in 5 special class sections.

117. The Educational Sciences Faculty (ESF) at the Amman Training Centre provided teacher training leading to a first-level university degree to 564 teachers in the in-service programme and 246 secondary school graduates in the pre-service programme. In light of the Agency's worsening financial situation and other factors, a decision was taken in June 1995 gradually to phase out the faculty by freezing intake beginning in 1995/96. Implementation of that decision was temporarily suspended in September 1995 at the request of the Jordanian and Palestinian authorities, in the hope that the Agency could obtain special donor funding for the faculty similar to that provided to ESF in the West Bank. With the 1996/97 intake, the faculty would reach full operating capacity of 630 in-service and 300 pre-service places. In August 1996, the first group of in-service students would graduate with a bachelor's degree in

education accredited by the Jordanian Ministry of Higher Education. General accreditation for an expanded ESF intake was received from the Ministry in December 1995, and special accreditation for the two specializations offered at the faculty - classroom teaching and Arabic instruction - was expected soon after the close of the reporting period. In addition to the ESF programme, 175 education staff participated in seven courses offered through the Agency's regular in-service teacher training programme during the year.

118. A total of 1,275 trainees, including 424 women and 662 boarding students, were enrolled in the 16 trade courses and 12 technical/semi-professional training courses offered at the Amman and Wadi Seer Training Centres. The Amman Training Centre offered courses in business administration, banking and financial management, medical record-keeping, secretarial skills and hairdressing, as well as courses to prepare trainees for jobs as assistant pharmacists, dental assistants and laboratory technicians. At the Wadi Seer Training Centre, courses were offered in the mechanical, electrical, building and metalworking trades, and in a number of technical subjects such as industrial electronics, architectural and civil engineering, land surveying and mechanical draughting. In cooperation with a non-governmental organization, the Agency offered six short-term courses of 12 to 20 weeks' duration in electrical wiring, tile-setting, building decoration and plumbing, benefiting 104 trainees. At the Wadi Seer Training Centre, specially funded projects were completed to upgrade equipment and workshops for courses in carpentry, radio and television repair, industrial electronics, and machining and welding, as well as to improve the materials testing laboratory and the library. Agency trainees at the two Training Centres attained pass rates of 96.6 per cent and 93.5 per cent respectively in the mid-1995 comprehensive examinations for community colleges administered by the Jordanian Ministry of Higher Education. The corresponding national averages were 70.3 and 70.1 per cent.

B. Health

119. Over 1.3 million refugees benefited from UNRWA health-care services in Jordan, which were delivered through 19 health centres and four health points, all of which contained mother and child health clinics and laboratories. Twenty provided dental care, 17 offered special care for the management of diabetes mellitus and hypertension and 13 provided specialist care such as ophthalmology, obstetrics and gynaecology, and treatment of cardiovascular diseases. The Agency also operated one physiotherapy clinic. UNRWA continued to operate a reimbursement scheme to partially cover the cost to refugees of treatment at government and private hospitals.

120. The gap between the increasing demand on UNRWA services and the Agency's limited financial and human resources continued to affect health-care delivery at both the primary and secondary levels. The daily average of 107 patient visits per doctor at Agency clinics in Jordan remained the highest of any field, with implications for the quality of care. The hospitalization reimbursement scheme, which was facing great demand, was also subject to strict controls. Additional posts were established to meet the most pressing basic health needs of the refugee population, but budgetary constraints prevented the additional staffing from keeping pace with growth in demand for services, a demand exacerbated by declining socio-economic conditions among the refugee community.

121. A newly constructed mother and child health centre became operational in Zarqa camp in December 1995, serving mothers and children of refugee families in remote areas of the camp as well as non-camp residents in the surrounding area.

The centre was meant to ease the pressure on the camp's main health clinic, for which a new building was under construction to replace the old, unsatisfactory premises. A health point at Waqqas, in the Jordan Valley, was also under construction at the close of the reporting period.

122. With donor support, UNRWA increased its efforts to improve sanitation in refugee camps. Under a joint project for the paving of pathways and construction of surface drains in a number of camps, the Agency and the Government's Department of Palestinian Affairs mapped needs, agreed on priorities and shared funds, with camp improvement committees providing labour to carry out the works. Camp residents continued to benefit from the active efforts of the Government of Jordan to improve environmental health conditions. The government programme to provide indoor taps to refugee shelters progressed steadily in various camps, with nearly all shelters in Jordan served by private water connections by mid-1996. Increased water supplies in most camps underlined the need for complementary sewerage facilities, in which connection the Jordan Water Authority was executing a project in Souf Camp. More than 90 per cent of shelters in Amman New Camp and Baqa'a, Irbid, Jabal el-Hussein, Marka and Zarqa camps had been connected to the Authority's public sewerage system by the close of the reporting period. The Agency procured three mini-compactor trucks on a trial basis to improve garbage collection and disposal in camps on difficult terrain, such as Jerash and Souf.

123. The Agency continued to coordinate closely with the Jordanian Ministry of Health, especially in the areas of immunization, family health, communicable disease control and testing of drugs for quality assurance, and received its requirements for hepatitis B vaccine as a donation in kind from the Ministry. In collaboration with UNFPA and the Jordanian Association for Family Planning and Protection, the Agency organized three in-service training workshops on modern contraceptive technology and family planning counselling in September 1995, in which 70 Agency medical officers, staff nurses and midwives participated.

C. Relief and social services

124. The largest Palestine refugee community in the Agency's area of operations was in Jordan, where the 1.36 million refugees registered with the Agency at 30 June 1996 accounted for 41 per cent of the total registered refugee population. The 5.4 per cent growth rate over the 30 June 1995 figure of 1.29 million registered refugees exceeded the estimated net growth in the population, reflecting current concern within the refugee community, especially in Jordan, to ensure that records with the Agency are fully up to date.

125. Jordan continued to have the lowest percentage of refugees enrolled in the special hardship programme, 2.5 per cent compared with the Agency-wide average of 5.4 per cent. However, in the period under review it was the only field in which additional enrolment kept pace with population growth, increasing by 3.8 per cent from 33,066 in mid-1995 to 34,335 in mid-1996. Although strict eligibility criteria continued to be applied, continuing high unemployment in Jordan contributed indirectly to the demand for assistance. Moreover, some 12.5 per cent of special hardship families lived in housing that did not satisfy minimally acceptable standards. The Agency rehabilitated 57 refugee shelters during the period under review and was seeking additional funding for shelter rehabilitation, which over 1,000 special hardship families in Jordan needed.

126. In the context of the poverty alleviation programme to promote sustainable micro-enterprises, 19 special hardship families took advantage of the Agency's offer of financial and technical assistance to set up self-support projects. Eighteen families that had established micro-enterprises under the programme achieved a regular income sufficient to lift them off the Agency's ration rolls. With special funding and the assistance of an international non-governmental organization, community savings and loan groups were set up in Amman New Camp, Jabal el-Hussein camp and Jerash camp to provide loans to members, mainly women, from a revolving fund established with pooled savings and Agency support. At the Jerash women's programme centre, some 70 women earned income through a wool-spinning enterprise which benefited from a contract with a prominent Jordanian rug manufacturer. A special contribution in October 1995 permitted the expansion and improvement of the workshop premises and facilities. In April 1996, a food production unit funded under the Palestinian Women's Initiative Fund opened at the Jabal el-Hussein centre. Agency staff assisted other United Nations organizations to provide start-your-own-business training for disadvantaged women, in cooperation with the Ministry of Social Development.

127. As part of the five-year plan for full community management of Agency-sponsored community centres, UNRWA offered extended training in self-management skills for members of local committees and Agency staff and supported the centres' efforts to achieve financial independence. By the end of the reporting period, 14 of the 21 women's programme centres in Jordan and all 8 community rehabilitation centres had functioning committees, and many were at or near financial sustainability. In January 1996, when subsidies against approved budgets were made available to the women's programme centres in lieu of direct Agency expenditure, the Amman New Camp centre had sufficient revenue of its own to decline the subsidy altogether, the first women's programme centre to do so Agency-wide. Like other centres, it derived its revenue from the proceeds of its production unit and from participant fees for training courses and other activities. The women's programme centres received assistance from the Jordanian Women's Union to promote local networking, while the community rehabilitation centres formed a higher coordinating committee to undertake advocacy and liaison efforts. The plan to establish community-managed kindergartens/nurseries at all women's programme centres in Jordan was completed with the opening of new facilities at the Baqa'a, Jerash and Sukhneh centres. A new wing at the Jerash centre was completed in November 1995.

128. The second Agency-sponsored legal advisory bureau in Jordan was established in Jabal el-Hussein camp in September 1995, with the support of the same donor which had funded the original Amman New Camp bureau in 1994. The Jabal el-Hussein bureau, the costs of which were defrayed by modest consultancy fees, was staffed by a full-time woman lawyer and a paralegal assistant. During the reporting period, the two bureaus offered 24 legal assistance lectures in which some 1,000 women participated, in addition to handling some 600 consultations. The local lawyers associated with the bureaus prepared a legal literacy manual and brochures concerning legal issues of particular interest to women, which were printed and distributed to all women's programme centres in Jordan. The lawyers also offered a train-the-trainers course in basic family counselling techniques to women in Amman New Camp and Jabal el-Hussein.

129. The technical level of services offered through the community-based rehabilitation centres was enhanced with the assistance of a team of local specialists, which carried out regular programmes with children at the centres in addition to training volunteer community rehabilitation workers. To help cover recurrent costs, all centres in Jordan operated income-generating projects. For example, a bus which normally transported disabled persons to and

from the Souf centre was used for commercial runs during off-hours. A major contribution was received in October 1995 to upgrade facilities at the Baqa'a, Marka, Talbieh and Waqqas centres. Annual summer camps were held for some 300 orphan boys and girls at Amman Training Centre.

VI. LEBANON

A. Education

130. The 74 Agency schools in Lebanon accommodated 36,498 pupils in the 1995/96 school year, an increase of 1,291 over the previous year. Besides natural demographic growth, that increase could be attributed to the return of a number of Palestine refugee families from the Libyan Arab Jamahiriya as well as the continuing decline in living standards among the refugee community in Lebanon, forcing the transfer of children from private schools to UNRWA schools. The Agency continued to operate a secondary school in Lebanon with a three-year cycle, in addition to the six-year elementary cycle and four-year preparatory cycle that made up the core of the Agency's basic education programme. The Agency introduced four French-language kindergartens with an enrolment of 161 children, using funds contributed for that purpose. University scholarships were awarded to 77 Palestine refugee secondary school students, including 25 women.

131. The generally calm security situation prevailing in Lebanon, which allowed Agency schools to operate normally throughout most of the 1995/96 school year, was interrupted by the Israeli hostilities principally in the south of the country in April 1996. The fighting caused Agency schools and training centres to close for 10 days, necessitating the extension of the school year to compensate for lost teaching time. Some 600 displaced persons found temporary shelter in three Agency schools in Saida and one in Beirut.

132. The Agency continued to implement remedial education programmes to offset the disruption in the education process during the years of civil conflict in Lebanon. Diagnostic tests were administered to identify areas of weakness, with compensatory measures, including distribution of self-learning materials, extra supervision by education staff, additional class periods offered by teachers on a voluntary basis and special classes for slow learners and children with learning difficulties. The success of those efforts was reflected in the results of the annual Brevet examination for students at the fourth preparatory level, in which the percentage of Agency pupils passing the exam rose significantly for the third consecutive year. The pass rate for Agency pupils in the July 1995 examination was 66 per cent, as compared to 49 per cent in July 1994 and 38 per cent in July 1993.

133. With its September 1995 intake, the Galilee secondary school in Burj el-Barajneh reached full operating capacity of 265 students in grades 11 to 13. Construction of a prefabricated building to accommodate the school, which was housed in unsatisfactory rented premises, was due to begin soon after the close of the reporting period. The lack of access of Palestine refugees to public schools in Lebanon and the prohibitively high cost of private schools - key factors in the Agency's decision to establish the Galilee school in September 1993 - were exacerbated by the weakening of existing secondary-level institutions serving refugees. After it was learned that a secondary school in Tyre partially funded by the PLO might be phased out owing to lack of funds and recognition by the Lebanese Ministry of Education, the Agency prepared a project proposal for a secondary school in the area. That proposal remained to be funded, as did a similar one prepared in the previous reporting period for a secondary school in Saida.

134. The Agency's infrastructure development efforts in Lebanon aimed at reducing the proportion of Agency schools operating on double shift

(50 per cent) and accommodated in unsatisfactory rented premises (43 per cent). Construction was completed on two additional classrooms and was under way on four school buildings in Beddawi camp and one in Wavell camp at mid-1996. Four school buildings in the Beqa', Saida and Tyre areas were comprehensively upgraded during the reporting period.

135. The Siblin Training Centre provided vocational and technical training to 595 trainees, of whom 128 were women and 165 boarding students. The Centre offered 13 post-preparatory courses in the electrical, electronics, auto repair, metalworking, mechanical, hairdressing and building trades. In addition, six semi-professional and technical courses were offered in architectural draughting, electronics, business and office practice, secretarial skills and office management, and training as laboratory and construction technicians. With special funding, the Agency was able to introduce two 5-month courses in concrete-forming and tile-setting, with an enrolment of 33 trainees. It was also able to renovate the Centre's workshops and dormitories, expand its library and upgrade equipment used in the building courses and the medical and materials testing laboratories. One thousand trees donated by the community were planted at the Centre in December 1995. The Agency sponsored 15 Palestine refugee students at a nursing course at a private college in Beirut, through special funding. A survey of the Centre's 1994 graduates, conducted in early 1996, revealed that 93 per cent of trade graduates, 86 per cent of semi-professional and technical graduates and 78 per cent of hairdressing graduates had found employment. Ninety-eight Agency teachers and headteachers participated in the three courses offered through the in-service training programme.

B. Health

136. In Lebanon, UNRWA delivered health services through 25 health centres or points providing comprehensive medical care, including mother and child care and family planning services. Of those facilities, 24 offered special care for the management of diabetes mellitus and hypertension, 17 provided dental care, 15 accommodated laboratories and 15 provided specialist care including cardiology, obstetrics and gynaecology, ophthalmology, paediatrics and treatment for ear, nose and throat diseases. Hospital care was provided to refugees through contractual arrangements with 12 private hospitals. The 350,000 refugees in Lebanon, who lacked access to the public-sector health system and were for the most part unable to afford the high cost of private care, continued to rely especially heavily on Agency services for basic health needs. For example, of all refugee patients assisted by the health programme Agency-wide to meet the cost of specialized emergency life-saving treatment, two thirds were from the Lebanon field. The revised co-payment rates were not introduced in Lebanon, although refugees did make co-payments of 50 to 75 per cent for sophisticated surgery and treatment. Extrabudgetary contributions were received in late 1995 to cover shortfalls in the hospitalization budget for emergency cases, arising in part from increases in official hospitalization rates, as well as to cover essential medical supplies.

137. Efforts to upgrade UNRWA primary health-care facilities continued unabated. Rehabilitation of the Saida health centre and Shehim health point was completed in December 1995, and additional dental, radiology and laboratory equipment was provided for the Beirut, Ein el-Hilweh, El-Buss and Saida health centres. At the close of the reporting period, work was in progress on construction of a new health centre in Beirut and replacement of the old unsatisfactory premises of Burj el-Shemali centre in the Tyre area, both funded under the Peace Implementation Programme.

138. Initial steps were taken towards implementation of a $6.7 million project to improve sewerage, drainage and water supply in eight refugee camps in Lebanon. UNRWA and the donor decided to seek consultancy services to carry out feasibility studies and prepare detailed technical designs in the eight camps, preparing terms of reference for that purpose in late 1995. Subsequent planning and construction would be based on the results of the feasibility studies, which would, inter alia, determine whether internal camp sewers could be connected to municipal systems or whether construction of independent treatment plants should be considered. The second phase of the internal sewerage scheme in El-Buss camp was completed, extending sewerage services to the 35 per cent of the camp population not covered in the first phase. As part of the regular maintenance programme for water supply networks, the Agency replaced two deteriorated chlorinators in Nahr el-Bared camp and a number of corroded water pipes in Beddawi, Ein el-Hilweh and El-Buss camps. New water pipes were installed in Dbayeh camp to improve water supply to the elevated section of the camp, and an open-ditch sewer was replaced with a new sewer line in Burj el-Shemali camp. UNICEF funded construction of two elevated reservoirs in Burj el-Barajneh camp.

C. Relief and social services

139. The number of Palestine refugees registered with UNRWA in Lebanon increased from 346,164 at 30 June 1995 to 352,668 at 30 June 1996, a 1.9 per cent growth rate, which was well below estimated normal net population growth. The Agency periodically provided information on newly registered refugees to the Government's Directorate for the Administration of Palestine Refugees and assisted the Directorate to re-establish its files. In March 1996, as part of efforts to operationalize the unified registration system, the computerized database on registered refugees in Lebanon was downloaded to the field office and four of the five area offices.

140. As a result of stricter application of the programme's eligibility criteria in the context of a general easing of the situation in the country, the absolute number of special hardship cases in Lebanon continued the decline begun in early 1995, dropping from 36,239 persons at 30 June 1995 to 35,382 one year later. However, the Lebanon field continued to have the highest proportion of refugees enrolled in the special hardship programme Agency-wide, 10 per cent at mid-1996, as well as the highest proportion of special hardship families receiving assistance for exceptional reasons. The high participation rate reflected restrictions on employment of Palestinians in Lebanon, which reduced the income-earning potential of extended families. Lack of access by Palestinians to public education and health services necessitated use of emergency funds, over and above regular allotments, to help the poorest refugees to obtain essential services.

141. Unsatisfactory housing remained a problem for over 30 per cent of special hardship families in Lebanon, the second-highest proportion after the Gaza field. The Agency's shelter rehabilitation programme for special hardship families resumed in 1995 except in the Tyre area, where it was suspended in November 1995 pending resolution of a problem relating to a separate project to rehouse displaced families. Using funds from the reprogramming of a special contribution and allotments from the regular budget, 148 shelters were rehabilitated during the period under review, and work commenced on 96 others. As that intervention addressed less than 10 per cent of identified need, the Agency was seeking additional funding to expand shelter rehabilitation efforts in Lebanon.

142. The Agency mounted an emergency relief operation in April 1996 to provide emergency assistance to persons displaced en masse from the southern villages to Saida and Beirut as a result of Israeli attacks on south Lebanon. With the support of UNIFIL, basic foodstuffs, medical supplies, bedding materials, kitchen kits and cleaning materials were distributed to 7,200 refugee families in Ein el-Hilweh and Mieh Mieh camps, and 5,700 families in Burj el-Shemali, El-Buss and Rashidieh camps, as well as in surrounding villages. Mattresses, blankets, kitchen kits and food were issued to 74 Lebanese and 59 Palestinian families who took refuge in three Agency schools in Saida.

143. Under the poverty-alleviation programme, soft loans ranging in value from $300 to $8,000 were awarded to 21 special hardship families for the establishment of micro-enterprises. The soft loans contained a loan component of up to 30 per cent of the total capital provided by UNRWA to each project, and were repayable over 12 to 24 months with a 5 per cent service charge, the rest of the amount being a grant. During the reporting period, 25 families achieved sufficient income from such enterprises to be removed from the special hardship rolls. In December 1995, a series of courses in start-your-own-business techniques was launched for disadvantaged women, and 42 potential entrepreneurs were identified. The Agency cooperated with a non-governmental organization to introduce group-guaranteed lending and savings programmes for women through the Beddawi and Ein el-Hilweh women's programme centres. To enhance marketing opportunities for the production units attached to six women's programme centres, negotiations were entered into with the Lebanese Ministry of Tourism to enable the centres to participate in regional and national exhibitions of goods produced by non-governmental organizations. The knitting production unit at the Nahr el-Bared centre ran into difficulties, in part because of the need for more assertive marketing, a factor linked to more conservative attitudes on the mobility of women. Despite the Agency's efforts, resources available to the poverty-alleviation programme could not keep pace with the great demand for income-generating opportunities among Palestine refugees in Lebanon.

144. Under the five-year plan to promote community management of Agency-sponsored community centres, workshops in self-management skills were conducted for Agency staff and the local committees attached to 10 of the 11 women's programme centres in Lebanon, as well as both community rehabilitation centres. In December 1995, each women's programme centre received seed money to enable it to launch its 1996 activities. By April 1996, consonant with the shift in the form of Agency financial support for the centres, those centres had submitted a budget for approval and on that basis had been granted an annual subsidy of $1,000 to $1,500 towards recurrent costs. The women's programme centres drew their principal revenue from the sale of their own production and from fees charged for training courses, including the 11-month sewing course, which had previously been financed entirely by the Agency. Concerned at the high incidence of school drop-out and early marriage among both girls and boys, the Beddawi and Burj el-Barajneh centres organized after-school support classes. The Nahr el-Bared centre coordinated with a non-governmental organization in a similar initiative. In January 1996, 50 women completed the latest in a series of specially funded courses in functional literacy offered at several centres. A new community-managed women's programme centre was opened at Mar Elias with a special contribution channelled through a Palestinian non-governmental organization and a local women's organization co-sponsored activities at the Burj el-Barajneh, Burj Hammoud and Dbayeh centres. At the request of the Lebanese Ministry of Social Affairs, the Agency assisted in training a group of community workers employed by the Ministry.

145. The disability programme in Lebanon was most active in Beddawi, Ein el-Hilweh and Nahr el-Bared camps. In Nahr el-Bared, special contributions enabled the Agency to arrange a seven-month course in speech therapy for community rehabilitation workers. In addition to a varied schedule of rehabilitation activities conducted at the centres, the Beddawi and Nahr el-Bared programmes worked with disabled children and their families at home. A contribution in May 1996 covered the cost of hearing aids for children with hearing impairment. Special attention was also paid to the inclusion of children with disabilities in mainstream education. At Ein el-Hilweh, visually impaired children were successfully integrated into a local kindergarten and were expected to continue their education in UNRWA elementary schools in 1996/97. The Ein el-Hilweh disability programme was run by a local non-governmental organization, the Disabled People's Union, which opened its own centre in November 1995 following receipt of special funding.

VII. SYRIAN ARAB REPUBLIC

A. Education

146. The 110 Agency schools in the Syrian Arab Republic accommodated 62,046 pupils in the elementary (six years) and preparatory (three years) cycles in the 1995/96 school year. The increase in enrolment by 1,303 pupils over the previous year resulted from the transfer of Palestine refugee children from government schools to newly constructed Agency schools, as well as natural growth in the refugee population. Agency pupils maintained a high level of academic achievement, obtaining a pass rate of 95 per cent in the mid-1995 state examination for the third preparatory grade, as compared to an average of 52 per cent in government schools. Use of diagnostic tests in core subject areas and a variety of remedial measures contributed to the performance level of pupils. University scholarships were awarded to 240 Palestine refugee students, including 90 women, on the basis of performance in the general secondary school examination.

147. Construction was completed on one school in Husseinieh village, two classrooms and two specialized rooms. At the close of the reporting period, 14 classrooms, 3 administration rooms and 1 specialized room were under construction, and comprehensive maintenance was being carried out on 9 school buildings. An additional 26 classrooms and 2 specialized rooms were at the design stage. The Agency also obtained a site for a new school at El-Mezzeh in Damascus to replace rented school premises, a project for which funds had been secured some time earlier. Despite continuing improvements, the Agency's education infrastructure in the Syrian Arab Republic remained overburdened, with 93 per cent of schools operating on double shift. As a result of new construction, the proportion of schools housed in unsatisfactory rented premises declined from 15 per cent in the previous reporting period to 11 per cent.

148. The Damascus Training Centre provided vocational and technical training to 810 trainees during 1995/96, of whom 141 were women and 147 boarding students. With the addition of a new course in interior design and decoration, the Centre offered seven technical/semi-professional courses to train participants as assistant pharmacists and construction and laboratory technicians, and in the areas of electronics, architectural draughting, and business and office practice. The Centre also offered 13 vocational/trade courses in carpentry, plumbing, welding and auto body repair, as well as training courses for mechanics, electricians, machinists and sheet metal workers. Contributions were received for the construction and equipping of a diesel mechanics workshop for first-year trainees and a workshop for the interior design and decoration course, on which work was due to begin soon after the close of the reporting period. Ninety-five per cent of eligible trainees graduated from the Centre in July 1995. The Centre hosted celebrations sponsored by all United Nations organizations in the Syrian Arab Republic to commemorate the fiftieth anniversary of the United Nations in October 1995. Through the Agency's regular in-service training programme, 108 teachers participated in four courses during the year to upgrade the professional qualifications of preparatory teachers and provide training in physical education and arts and crafts. A two-month course was also organized for newly appointed headteachers to enhance their supervisory skills.

B. Health

149. Health-care services were provided to nearly 350,000 Palestine refugees in the Syrian Arab Republic through the Agency's network of 22 health centres and points, which offered comprehensive medical care, including mother and child care, family planning services and special care for the management of diabetes mellitus and hypertension. In addition, 18 accommodated laboratories, 13 provided specialist care for cardiovascular diseases and in obstetrics and gynaecology, and 12 offered dental care. Hospital services were provided through contractual agreements with nine hospitals. Owing to budgetary constraints, the number of hospital beds reserved for refugees had to be reduced to approximately 0.9 beds per 10,000 population, and referrals were restricted to emergency and life-threatening cases.

150. Efforts to improve basic primary health-care infrastructure focused on Yarmouk camp, where the Agency completed the remodelling and upgrading of the main health centre in the camp, the expansion of the mother and child health sub-centre to offer a full range of preventive and curative medical care, and the addition to it of a new training centre with furniture and equipment donated by UNICEF. Planning was under way for construction of a third health centre in Yarmouk camp, which, with some 82,500 residents, was the largest refugee community in the Syrian Arab Republic. Reconstruction of the Homs and Sbeineh health centres was also completed.

151. In the environmental health sector, the Agency dug additional water wells in Jaramana, Khan Danoun and Khan Eshieh camps, furnishing the latter two with pumping equipment and power generators. Three compactor trucks and 63 containers were procured for improved garbage collection and disposal from Dera'a, Homs, Jaramana, Qabr Essit and Sbeineh camps. A feasibility study was under way for construction of a new internal sewerage scheme in Neirab camp to replace the old network, which had become inadequate.

152. The long-standing cooperation and coordination between the Agency and the Syrian Ministry of Health was maintained, especially in the areas of disease surveillance and control and development of national plans for diabetes control. UNRWA received its requirements for hepatitis B vaccine as an in-kind donation from the Ministry of Health, as well as contraceptive items to avoid a stock rupture in the family planning programme. UNICEF donated audio-visual equipment for health education and sponsored two health research studies on iodine-deficiency disorders and iron-deficiency anaemia among refugee children under age five, and two training workshops on breastfeeding and health management.

C. Relief and social services

153. At 30 June 1996, the refugee population registered with UNRWA in the Syrian Arab Republic numbered 347,391, an increase of 3 per cent over the 30 June 1995 figure of 337,308 and somewhat less than the average net population growth. The percentage of refugees enrolled in the special hardship programme fell slightly to 6.2 per cent, close to the Agency-wide average, with the number of cases decreasing from 21,619 persons at 30 June 1995 to 21,374 persons at 30 June 1996. Although some 15 per cent of the special hardship families were identified as living in unacceptable housing conditions, available funds permitted the rehabilitation of only 44 shelters during the reporting period. In coordination with the donor, the Agency reprogrammed funds that had been made available for a project in Neirab camp, after the project could not be implemented as originally envisaged. The relocation of refugee families from

Jaramana camp to a multi-story housing project at Husseinieh, a process begun in late 1994, continued during the period under review. The relocated families were encountering increasing difficulties in meeting the costs of the new accommodations, which had been constructed by the Government.

154. Under the poverty-alleviation programme, loans were provided to five income-generating projects, including two group enterprises associated with the women's programme centre in the Alliance quarter of Damascus. Women at the Dera'a, Homs, Jaramana and Qabr Essit women's programme centres pooled savings and proceeds from their own production to make community loans, mainly for the purchase of equipment for cottage industry. In Ein Thaker village in the Dera'a area, the Agency provided seed capital for a small community bank inaugurated in April 1996 which provided initial loans to 33 persons, mainly for agricultural activities. The food processing unit in Dera'a, financed from the Palestinian Women's Initiative Fund, added cheese-making to its seasonal production. The group-guaranteed savings and loan programme, which made credit available to poorer refugee families, had 30 groups functioning at mid-1996, with a combined membership of 433 refugees, nearly double the mid-1995 membership.

155. Within the context of the five-year plan for the full community management of Agency-sponsored community centres, training sessions in self-management skills were held for members of centre committees and Agency staff. At the close of the reporting period, 4 of the 13 women's programme centres and all 5 community rehabilitation centres in the Syrian Arab Republic were managed by local committees. For a variety of reasons, progress in the transition to community management proceeded at a less rapid pace in the Syrian Arab Republic than in other fields. Nonetheless, in January 1996 the women's programme centres, with assistance from the Agency, produced budgets and programme plans, against which subsidies were provided in lieu of direct expenditure. In August 1995, the community rehabilitation centres had been given a small subsidy towards recurrent costs.

156. The women's programme centres emphasized activities that would raise revenue for the centres while providing participants with an income. The continuing popularity of the 11-month sewing course offered through the centres rested partly on the success of graduates in securing employment at Syrian textile factories. Women at the Yarmouk centre financed a course in sewing wedding dresses for sale or rent, the Khan Eshieh centre sponsored a computer course for 38 young men and women with a grant from a local source and projects were developed for hairdressing salons at the Alliance and Dera'a centres and a canteen at Dera'a. With the opening of fee-based kindergartens at Dera'a in September 1995 and Alliance in February 1996, the field had seven kindergartens operated by women's programme centres that accommodated over 400 children. The 30 kindergarten teachers were enrolled in a training programme run in cooperation with other United Nations and government agencies. Cultural and educational activities at the women's programme centres included courses on environmental protection, health education, household maintenance and the English language. An HIV/AIDS awareness campaign conducted at all centres in December 1995 reached over 800 participants. Committees for the integration of disabled women were established at the Homs and Yarmouk centres, at the latter in cooperation with a local Palestinian association for deaf persons. A new centre was built at Ramadan village, and the Yarmouk centre was reconstructed. An Agency-sponsored multi-purpose community centre at Sbeineh was renovated by the local community with financial and technical assistance from UNRWA, and the Sbeineh women's programme centre was incorporated into it.

157. The activities of the community-based rehabilitation programme for the disabled were characterized by increasing cooperation with other community groups. Working closely with the local women's programme centre, the Alliance community rehabilitation centre converted part of a former health centre into a centre for adults with disabilities, which rapidly became a venue for diverse activities. Throughout the field, linkages were forged with specialist services for persons with hearing impairment. A series of technical training courses for rehabilitation workers and parents of disabled children was conducted, several of them in cooperation with the Syrian Ministry of Labour and Social Affairs. The centres jointly organized recreational activities for over 550 disabled and able-bodied children in summer 1995, including picnics, excursions, puppet shows, sports events and competitions. A new community rehabilitation committee was formed at Jaramana, and the Dera'a committee was being reconstituted. In Hama, a special contribution enabled the community rehabilitation centre to acquire a new room for physical exercise and a shop to support the centre financially.

VIII. WEST BANK

A. Education

158. In 1995/96, UNRWA provided general education to 45,812 pupils in the elementary (six years) and preparatory (three years) cycles in the West Bank, where the Agency continued to utilize the Jordanian curriculum adopted by the Palestinian Authority. The increase of 1,239 pupils over the previous year resulted from the admission to Agency schools of some 600 returnee children of newly arrived refugee families, as well as natural growth in the refugee population. The 100 Agency schools in the West Bank included 52 for girls, 38 for boys and 10 that were co-educational. Owing to lack of funds, the Agency remained unable to extend the basic education cycle from 9 to 10 years, in accordance with reforms adopted by the Jordanian Ministry of Education and as requested by the Palestinian Authority. The Agency awarded 149 university scholarships to Palestine refugee students, including 91 women, who had excelled in general secondary (tawjihi) examinations.

159. Security measures imposed by the Israeli authorities markedly disrupted the Agency's education programme during the period under review, most significantly through intermittent closures that restricted the movement of staff, pupils and trainees and interrupted the school year. The strict closure put into force in February 1996 had a particularly deleterious effect. In response to the initial two-week internal closure of the West Bank, which prevented over two thirds of Agency teaching staff from reaching their place of work, the Agency temporarily redeployed staff to educational institutions near their homes and accepted the assistance of retired teachers, Palestinian Authority teachers and university students who had volunteered as short-term substitutes. The eight Agency schools within the municipal boundary of Jerusalem were disrupted for a longer period, as the closure of the city to West Bank identity-card holders remained in force even after the internal closure had been lifted. At the close of the reporting period, efforts were continuing to obtain entry permits for Jerusalem for all Agency staff who were West Bank residents. The school year was also adversely affected by a three-week strike of UNRWA staff in December 1995. Days lost as a result of all those circumstances were made up during the mid-year vacation and by extension of the school year. Despite those interruptions, schools sought to maintain a healthy and diverse learning environment by sponsoring extracurricular activities such as science fairs, art exhibits, sports tournaments, folk dance performances, scouting and literary contests.

160. Funding received under the Peace Implementation Programme allowed UNRWA to continue to make progress in upgrading its education infrastructure in the West Bank. Construction was completed on three schools, 11 specialized rooms and 16 additional classrooms, of which 10 were to accommodate children of newly arrived refugee families. Comprehensive maintenance was carried out on nine schools. At mid-1996, a further seven school buildings and eight classrooms were under construction, and eight schools were in the process of being upgraded. Despite that progress, 20 per cent of Agency schools operated on double shift and 25 per cent were accommodated in unsatisfactory rented premises. Community concern regarding overcrowding in Agency schools and dilapidated premises was conveyed to the Agency on several occasions during the reporting period. The Agency continued to experience difficulties in obtaining sites for school construction, and in March 1996, the Israeli authorities ordered a halt to construction of an Agency school in the Jerusalem area on the grounds that a by-pass road would be built across the site.

161. The three UNRWA vocational and technical training centres in the West Bank accommodated 974 students, of whom 564 were women and 909 were boarders, in 35 trade and semi-professional courses. The Ramallah Women's Training Centre offered 12 technical/semi-professional courses at the post-secondary level in architectural draughting, ceramics production, computer studies, medical record-keeping, nursing, physiotherapy, pre-school education, secretarial work and office management, social work and home and institutional management, and courses to train participants as assistant pharmacists and laboratory technicians. The Centre also offered three post-preparatory trade courses in clothing production and hairdressing and beauty care, as well as a 40-week course for executive secretaries in which 18 women were enrolled. Courses at the Ramallah Men's Training Centre included four semi-professional courses in business and office management, computer information systems, banking and financial management and marketing and financial management, with a fifth course in industrial electronics to be introduced in September 1996 to meet the needs of the West Bank labour market. A number of steps were taken to enhance the administrative supervision of the centre. The Kalandia Training Centre offered 14 trade courses in auto body repair, carpentry, mechanics, plumbing and welding, and to prepare trainees as blacksmiths, builders, electricians and machine technicians, as well as two semi-professional courses in technical construction skills and land surveying. In coordination with the Palestinian Authority, Kalandia Training Centre held special four-week courses for 39 released prisoners to train them as general electricians, auto electricians and radio and television repairmen. At the close of the reporting period, a second workshop for second-year trainees at the Kalandia Centre's diesel and agricultural machinery mechanics course was under construction. The Agency also sponsored 16 Palestine refugees at private West Bank training institutions.

162. The Educational Sciences Faculty (ESF) at the Ramallah Men's and Ramallah Women's Training Centres provided teacher training leading to a first-level university degree through a pre-service programme accommodating 444 secondary-school graduates, of whom 268 were women. In July 1996, the first group of students from the two centres would graduate with a first-level university degree. Students from Gaza enrolled in ESF programmes were unable to complete the spring 1996 semester owing to lack of permits from the Israeli authorities for study in the West Bank, an obstacle that prevented a number of students from graduating on schedule in mid-1996. Special sessions were organized for ESF students in Gaza to compensate for missed time. The Agency's regular in-service training programme benefited 106 teachers who were enrolled in six courses to upgrade professional qualifications and improve teaching methodologies and competencies. The in-service training programme was also disrupted by the extended closure of the West Bank, as some courses were scheduled to be held at the Agency's Jerusalem offices.

163. The education programme in the West Bank continued to devote considerable attention to compensating for the cumulative effects of the disruption of schooling as a result of the intifada and Israeli countermeasures, and of the more recent closures. To help to improve the level of academic achievement among pupils, the Agency administered diagnostic tests in all West Bank schools during the 1995/96 school year to identify weaknesses, prepared and distributed curriculum enrichment materials and self-learning kits, and offered remedial classes for children with learning difficulties. Sixteen special education centres allowed 320 slow learners to participate in the regular education programme.

B. Health

164. Comprehensive primary health-care services were delivered to over 530,000 Palestine refugees in the West Bank through the Agency's network of 34 health centres and points, all of which offered special care for the management of diabetes mellitus and hypertension. In addition, 33 offered family planning services, 19 accommodated laboratories, 17 provided dental care and 17 offered specialist care in dermatology and obstetrics and gynaecology. Management of trauma-related disabilities was provided through six physiotherapy clinics.

165. The Agency remained concerned at the negative impact on provision of essential health services to the refugee community resulting from the system of permits and checkpoint controls imposed by the Israeli authorities and the repeated prolonged closures of and within the West Bank. Those measures prevented or delayed access of staff and patients to essential medical care, affecting in particular patients requiring services offered at Jerusalem hospitals but not readily available elsewhere. An especially grave incident occurred in March 1996, during the internal closure of the West Bank, when an infant being transported by an UNRWA ambulance died after the ambulance was stopped at a military checkpoint. Movement restrictions also interfered with various operational aspects of the health programme, preventing staff from supervising health facilities on a timely basis, delaying distribution of medical supplies and increasing the workload of health staff who were Jerusalem residents.

166. UNRWA continued to improve its primary health-care infrastructure in the West Bank with funding received through the Peace Implementation Programme. New health centres in Beit Our and Biddo villages were built and equipped, and at the close of the reporting period work was under way on the construction and equipping of health centres in Camp No. 1 and Nur Shams camp and health points in Ein Arik, Ramadin and Yabad villages. A pledge of $2.1 million was received for the second phase of the project to remodel and upgrade Qalqilia hospital, and design and planning work was under way. Under that project, a new three-storey building would accommodate a 20-bed paediatric section as well as X-ray and physiotherapy units, laundry and storage rooms, and a nursing dormitory. Construction was due to commence in late 1996.

167. As part of the Agency's strategy to avoid overlap and duplication of health-care facilities and services with other providers, agreement was reached with the Palestinian Authority for the latter to assume responsibility for operating the newly constructed and equipped health centre at Biddo, which was turned over to the Authority in July 1996. In the Jericho area, Agency health services were reorganized and teams redeployed to meet the basic needs of the refugee population and cater to additional needs created by the influx of refugee families from abroad. The arrangement introduced in July 1994 for the treatment of members of the Palestinian Police Force and their families in Jericho at local Agency clinics was maintained. The Agency assisted in the development and implementation of a project for the establishment of a central health laboratory, undertaken within the context of bilateral cooperation between the donor and the Palestinian Authority. UNRWA assumed responsibility for the development of design drawings for the construction and equipping of the laboratory, and agreed to provide technical advice.

168. Together with the Palestinian Authority and concerned United Nations agencies and non-governmental organizations, UNRWA participated in a needs assessment mission carried out in the West Bank and Gaza Strip by the International Initiative Against Avoidable Disablement (known as IMPACT) in

preparation for the establishment of an effective national programme for the prevention and control of disabilities. The Agency indicated its keen interest in integrating current activities within a unified national programme.

169. UNRWA provided secondary care to refugees in the West Bank at its 43-bed general hospital in Qalqilia as well as through contractual arrangements with four hospitals run by non-governmental organizations, where beds were reserved for refugee patients. Partial reimbursement was also provided for expenses incurred by refugee patients at hospitals run by non-governmental organizations and Israeli hospitals for specialized tertiary care not readily available at the contracted hospitals. Owing to rising hospitalization costs, the Agency continued to seek more economical options for maintaining essential in-patient services. A 12 per cent co-payment was introduced for refugee patients against the cost of treatment at Qalqilia hospital and Augusta Victoria Hospital in Jerusalem, with a 5 per cent rate for special hardship cases. Agreement on the contractual arrangement with Augusta Victoria for 1996 was delayed pending negotiation of a new fee-for-service system to replace the present fixed-rate fee-for-bed system. In the interim, the terms of the 1995 agreement remained in force. Strict controls were also applied to the system of partial reimbursement for specialized care.

170. Receipt of a special contribution allowed work to commence on the extension of an internal sewerage scheme in Tulkarm camp to serve the remaining 20 per cent of the camp population, which had not been covered in the original project owing to a funding shortfall. Similar works began in Dheisheh camp, where the sewerage system was being extended to the remaining 30 per cent of residents. A sewerage scheme was initiated in Aida camp, and feasibility studies and preliminary designs for sewerage and drainage systems for Deir Ammar camp were completed and a project proposal prepared. The Agency sponsored a self-help project to pave pathways in Nur Shams camp, with the camp committee taking responsibility for part of the cost and all of the labour involved.

C. Relief and social services

171. The number of Palestine refugees registered with UNRWA in the West Bank increased by 2.9 per cent from 517,412 at 30 June 1995 to 532,438 at 30 June 1996, a growth rate consistent with those of previous years. Despite unprecedented levels of unemployment and the extended closure of the West Bank in the first half of 1996, the number of refugees enrolled in the special hardship programme fell from 31,024 at 30 June 1995 to 28,395 one year later, owing to stricter application of eligibility criteria. In response to the imposition by the Israeli authorities of a strict curfew on Fawwar refugee camp for two weeks in March 1996, UNRWA conducted an emergency distribution to 1,100 camp families of flour, milk and sardines, supplemented by other foodstuffs donated locally. Inadequate housing remained a common problem for poorer refugees in the West Bank, with one quarter of special hardship families in unsatisfactory accommodations. Special contributions enabled the rehabilitation of 1,515 shelters during the period under review. Despite continuing need, the field shelter rehabilitation unit had to be dissolved in May 1996 owing to lack of funding for additional projects.

172. The poverty-alleviation programme in the West Bank continued to sponsor a skills-training and apprenticeship project for young men and women from special hardship families. A new course for tour guides complemented existing ones in areas such as sewing, beauty care, auto mechanics, knitting, computer operations, and photography and montage. Of the 628 youths who had completed

the programme from its inception in September 1994 through June 1996, 176 had found employment, including 7 who had established micro-enterprises with the assistance of Agency loans. Israeli security restrictions had a negative impact on the loan component of the poverty-alleviation programme: in spring 1996, 15 loan applicants withdrew their requests on the grounds that newly imposed restrictions would prevent them from setting up economically sound ventures and being able to meet repayment obligations.

173. Marked progress was achieved towards full community management of women's programme centres in the West Bank. In the Hebron and Nablus areas, women responded with enthusiasm to the formation of general assemblies and elected committees to run local centres, with as many as 400 women voting in the Hebron centre's committee elections. At mid-1996, 6 of the 13 centres in the West Bank were managed by locally elected committees and three more held elections during the reporting period. Several centres developed ventures to provide income for participating women and revenue to support centre activities. Twelve women from the Nablus area centres began working to establish group-guaranteed savings and loan schemes in local communities, after receiving training from an international non-governmental organization in September 1995. The Am'ari centre established a photocopying service for camp residents in October 1995, opened a canteen in January 1996 and fulfilled a contract to sew sports kits for youth activity centre teams. The kindergartens and nurseries operated by the centres provided a much-needed service to the community in addition to generating income. The Fawwar nursery, for example, attracted children not only from the camp but also from surrounding villages. The construction and equipping of a community-managed kindergarten associated with the Askar centre was completed in June 1996, and training for the teachers was arranged with the help of a Palestinian early childhood resource centre. Four women's programme centres in the Nablus area extended the opening hours of the children's libraries.

174. The women's programme centres offered skills-training courses geared mainly to enhancing income-earning opportunities for women, in addition to sponsoring a variety of educational and charitable activities. The 25-session legal literacy programmes begun in four camps in the previous reporting period concluded in November 1995. In the months preceding the Palestinian elections in January 1996, civic education workshops were held at a number of centres with the involvement of local non-governmental organizations. Several centres offered remedial and supplementary classes for girls, as well as functional literacy classes for those who had dropped out of school. The Askar centre ran a computer camp for 150 children that also offered remedial classes and sports and handicraft activities. Among the centres' ad hoc fund-raising events were jointly organized bazaars, the proceeds of which were donated to poorer families. Networking among the centres was actively encouraged by the Agency in all the community social development programmes, inter alia to strengthen advocacy powers and access to resources.

175. The nine community rehabilitation centres in the West Bank continued to emphasize outreach and community interaction, assisting parents in managing children's disabilities in the home, facilitating modifications to homes of disabled persons, organizing summer and winter camps for disabled children, providing referrals to specialist services, making available prosthetic devices and running public awareness campaigns. Priority activities included assistance to children with learning difficulties and integration of children with disabilities into mainstream schooling. Five centres participated in a project to establish toy libraries, receiving training from a local non-governmental organization. Six rehabilitation workers from the Dheisheh and Jenin centres

completed a nine-month course in sign language at a West Bank university, and others took part in the second phase of a train-the-trainers course in home visits organized by an international non-governmental organization. The Nablus area centres cooperated with the Central National Committee on Rehabilitation to expand a wheelchair-producing workshop. A number of steps were taken to strengthen the community rehabilitation programme institutionally. The Balata and Jenin community rehabilitation committees were being reactivated with training by UNRWA for newly recruited rehabilitation workers. The Dheisheh and Fawwar centres embarked on the formation of parents associations. In September 1995, the newly formed Jalazone committee, composed entirely of disabled refugees, was provided with a room in the local youth activity centre and a contribution from a camp community group with which to launch its activities. Under an agreement on technical cooperation, the Palestinian Committee for Community-based Rehabilitation in the Central Region of the West Bank agreed to subsidize the salary of one rehabilitation worker at the Jalazone and Kalandia centres each. Construction of new premises was completed in Balata and Tulkarm centres, with financial support from the Agency, an international non-governmental organization and the local community.

176. The community rehabilitation centre in Fawwar camp possessed one of the most active and enterprising committees. During the period under review, the Fawwar centre extended its services, with the assistance of an international non-governmental organization, to include vocational rehabilitation for disabled teenagers and young adults. The committee coordinated with the Palestinian Authority and local workshops to secure apprenticeships and training places for its members. Constructive cooperation between the centre and UNRWA schools in the camp also took place. Those achievements made the debilitating curfew imposed on the camp by the Israeli authorities in March 1996 particularly distressing. During the closure, the canteen proceeds on which the centre relied to defray its operating costs fell by 60 per cent, attendance at the kindergarten dropped by half, and children who did attend were unable to pay the small fee. A local factory terminated a long-standing contract under which disabled persons earned a steady wage from assembling boxes. Several other Agency-sponsored centres were severely affected by the closure of the West Bank.

177. The youth activity centres supported by UNRWA, of which there were 19 in the West Bank and 8 in the Gaza Strip, were linked in a strong union recognized by the Palestinian Authority as an important partner in the development of policies and programmes for children and youth. While the centres devoted much of their energy to sports activities, making a strong showing in the various Palestinian leagues during the reporting period, they also became increasingly involved in community development activities. In March and April 1996, the Far'a centre volunteered two days' labour for a Palestinian Authority project to remodel a former prison into a sports complex. The Tulkarm centre was selected by the Palestinian Authority in April 1996 to be the office of the national scouting programme for the Tulkarm/Qalqilia area. In April 1996, a national committee on which the youth activity and women's programme centres were represented decided to implement a pilot project for 10 children's clubs, 2 of which were to be located at the Am'ari and Jenin centres. A number of youth activity centres provided after-school instruction for children in the English language and other subjects. Several centres improved their facilities, remodelling the entire premises in Balata, building an indoor multipurpose hall in Askar and constructing at Tulkarm a multipurpose playground and shops to be rented for income.

IX. GAZA STRIP

A. Education

178. UNRWA provided basic education to 129,494 pupils in the elementary (six years) and preparatory (three years) cycles in the Gaza Strip during the 1995/96 school year. The increase of 11,088 pupils over the preceding year included some 3,500 children of families who had entered the Gaza Strip as a result of the establishment of the Palestinian Authority. The rapid growth in the student population - 9.3 per cent above the 1994/95 enrolment, which had in turn been 7.9 per cent above the 1993/94 enrolment - necessitated the hiring of 236 additional teachers over and above those which the Agency had previously planned for and included in the budget. Owing to insufficient funds, UNRWA was obliged to hire those additional teachers on one-year contracts at salaries lower than those of the Agency's regular area staff. Further, the Agency had to retain the 163 contract teachers appointed in 1994/95. It was hoped that the Agency would receive sufficient funds to be able to hire all 399 contract teachers as regular area staff. Receipt of textbooks from Egypt for use in schools in Gaza was delayed owing to the closure of the Gaza Strip on security grounds in September 1995. The Agency awarded 231 scholarships to outstanding secondary students, of whom 137 were women, for study at universities in the West Bank and Gaza Strip and elsewhere in the region.

179. The critical need for improvements in the Agency's education infrastructure in the Gaza field was recognized by donors, who continued to contribute generously for that purpose. During the period under review, construction was completed on 25 school buildings, of which 23 replaced unsatisfactory premises and 2 enabled the triple-shifted schools referred to in last year's report to resume normal operation. At the close of the reporting period, six more school buildings were under construction, including a secondary school at Beit Hanoun which would be handed over to the Palestinian Authority upon completion. The fact that many of the newly constructed school buildings contained more classrooms than the older buildings they replaced allowed the Agency to accommodate the increased enrolment with fewer schools, only 155 in 1995/96 as compared to 159 in 1994/95. Seventy-four additional classrooms were constructed to avoid double-shifting, two specialized rooms were built, nine schools received comprehensive maintenance and nineteen school playgrounds were paved. At the close of the reporting period, work was under way on construction of seven classrooms, comprehensive maintenance on five schools and paving of one school playground.

180. In general, the Agency's infrastructure development efforts were centred on improving or replacing facilities that were unsuitable for one reason or another, or providing additional facilities to accommodate increased needs. The construction of buildings and classrooms for the most part served to enhance the quality of Agency education services by improving the facilities and surroundings available to pupils to the minimum Agency-standard level. Nonetheless, the Agency still had to contend with a neglected and overburdened education infrastructure and the effects of a steadily expanding student population, with which the impressive efforts to improve infrastructure could not keep pace. At 48 pupils per class section, classroom occupancy in Gaza was once again the highest of any field, and, despite the construction of new buildings, exceeded the preceding year's rate. About 84 per cent of Agency schools in the elementary cycle and 22 per cent in the preparatory cycle operated on double shift. Many schools were still accommodated in unsatisfactory cement-brick buildings which had originally been constructed in

the 1950s and 1960s as temporary structures. It was hoped that additional funding could be secured to allow those problems to be addressed.

181. Agency schools in Gaza and the Gaza Training Centre operated normally for the second consecutive year without any interruption or loss of school or training time caused by the security situation. That more stable environment was conducive to the Agency's continuing efforts to overcome weaknesses in achievement levels resulting from the cumulative disruptions in the education programme during the years of the intifada and Israeli countermeasures. Remedial education initiatives at all Agency schools in Gaza included use of diagnostic tests to identify weaknesses, distribution of curriculum enrichment and self-learning materials, development of teachers' guides and special programmes for slow learners and children with learning difficulties. Two special education centres were established in Rafah in December 1995 to provide assistance to 100 slow learners.

182. The Gaza Training Centre offered 13 vocational/trade courses and four technical/semi-professional courses which accommodated 691 trainees in the 1995/96 academic year, of whom 47 were women. Vocational courses were offered in auto body repair, carpentry and mechanics and skills-training for blacksmiths, builders, electricians and machinists. The carpentry and radio and television repair workshops were renovated, and trainees at the centre built a new cafeteria as an applied training exercise. Technical courses offered at Gaza Training Centre included business and office practice, industrial electronics, physiotherapy and architectural draughting, the latter introduced on a coeducational basis in September 1995 in response to increased demand within the local construction industry. The course was transferred from Kalandia Training Centre as a result of the continuing difficulties faced by residents of Gaza in obtaining the necessary permits from the Israeli authorities to study at West Bank training centres. Many trainees were unable to attend the spring 1996 semester as a result of their inability to travel to the West Bank, a particularly difficult circumstance for trainees enrolled in multi-year programmes. The Agency arranged compensatory classes at the Gaza Training Centre for pre-service trainees enrolled at the Educational Sciences Faculty in the West Bank to enable them to make up classes missed in the 1994/95 school year or in the fall 1995 semester. A group of 78 such trainees completed the previous year's studies and took end-of-year examinations in September and October 1995. The regular in-service training programme accommodated 164 staff members in eight separate courses designed to upgrade the professional qualifications of teaching staff at various levels, and to enhance the administrative and managerial skills of school supervisors.

B. Health

183. UNRWA delivered primary health-care services to some 717,000 Palestine refugees in the Gaza Strip through a network of 19 Agency health centres and mother and child health clinics offering family planning services. Twelve offered dental care, 11 accommodated laboratories, 11 provided special care for management of diabetes mellitus and hypertension, and 11 offered specialist care, including cardiology, obstetrics and gynaecology, ophthalmology and management of chest diseases. Six physiotherapy clinics and six maternity units were integrated within the largest health centres, with the maternity units accounting for approximately one third of all refugee births in the Gaza Strip. Hospital services were provided through a contractual agreement with a hospital run by a non-governmental organization, where 50 beds were reserved for refugee patients, and through partial reimbursement of medical expenses incurred by

refugees for treatment at Palestinian Authority hospitals. The unique arrangement of providing an afternoon shift at health centres in the five largest camps and Gaza town was maintained to offset the heavy workload at Agency health centres. Nevertheless, Agency doctors in Gaza averaged more than 100 patient visits per day. The Agency remained concerned at the impact on refugee health services of Israeli security restrictions, in particular the extended closure of the Gaza Strip beginning in February 1996, which reduced access to hospitals in Israel and the West Bank.

184. Progress continued in the construction and equipping of the 232-bed European Gaza Hospital, despite difficulties relating to funding and the repeated closures of the Gaza Strip. Main construction was completed, and work continued on external works such as roads, paved areas and boundary walls. Internal electrical and mechanical works including plant rooms were at advanced stages, while capital equipment for the kitchen, laundry and other common services was in the process of being installed. The international contractor was due to hand over the completed building before the end of 1996. In recognition of the generous support of the European Union and its individual member States for the project, the hospital was named the European Gaza Hospital. With the hospital nearing completion, increasing attention was devoted to commissioning and operating arrangements. An international consulting firm assessed UNRWA requirements in July 1995 and advised in detail how the commissioning of the hospital should be managed. As a result of that assessment, the consultant was contracted to provide a project manager and other expert advice for one year commencing in August 1995. In October 1995, UNRWA prepared a detailed discussion paper on major policy issues pertaining to the commissioning and operation of the hospital, which was reviewed by the Palestinian Authority and the European Union. In February and March 1996, international consultants conducted an assessment of the status of the project and provided advice on how pre-commissioning and commissioning could run parallel to completion of construction. To meet needs in the pre-commissioning phase, 18 key second-tier managerial posts were filled by locally recruited staff. The resolution of most existing problems and the decision to pursue commissioning in parallel to construction brought forward the target date for the hospital becoming operational. Towards the close of the reporting period, it was agreed by the three parties that an international management team would be identified to prepare the hospital for operation and to train staff, with the hospital eventually becoming an integral part of the health system of the Palestinian Authority.

185. The Gaza College of Nursing accommodated 81 students in the 1995/96 school year in the three-year diploma programme for women, and a group of 26 student nurses who had transferred from a nursing school in Cairo completed their training. In coordination with the Palestinian Authority, the college developed a curriculum for a diploma-level nursing course, which was approved and accredited by Al-Azhar University in Cairo. To address the shortage of trained midwives, the college, in cooperation with the Palestinian Authority, conducted a joint feasibility study for the establishment of a diploma-level midwifery programme in the Gaza Strip. Twenty-five students began the two-year practical midwifery programme in December 1995 using a revised and upgraded curriculum. That programme, made possible by continuing donor support, was the only one of its kind in the Gaza Strip. The Gaza College of Nursing also hosted Bethlehem University's physiotherapy training programme and part-time accredited diploma programme for clinical instructors and supervisors, as well as in-service training programmes for Agency health staff. Construction of the College of Nursing and Allied Health Sciences, which would be affiliated with the European Gaza Hospital, was approaching completion at mid-1996, and the college was

planned to become operational before the end of the year. The college would provide the hospital and other local health facilities with a pool of trained professional staff while contributing to the upgrading of nursing training in the Gaza Strip to acceptable international standards.

186. Special emphasis continued to be placed on development and expansion of family health services in the Gaza Strip, where the crude birth rate was still as high as 52 live births per 1,000 population. In addition to working with UNFPA and the Palestinian Authority to develop a sustainable women's health programme, UNRWA played a leading role in implementation of a three-year project to support a maternal health and family planning programme in the Gaza Strip which aimed at developing an open learning programme, providing contraceptive supplies for the Agency's family planning programme in Gaza, and training resource personnel from UNRWA, the Palestinian Authority and non-governmental organizations. As part of that project, the Agency contracted Kingston University in the United Kingdom of Great Britain and Northern Ireland to train staff and develop appropriate training modules beginning in March 1996. A joint coordinating committee comprising the three partners was established to develop an operational framework and detailed plan of action.

187. The activities of the special environmental health programme were carried out under an overall strategy which emphasized sound planning, institutional development, community participation and the use of appropriate technologies to ensure that improvements were sustainable. Established in 1993, the programme aimed to address the urgent environmental health needs in Gaza, where contamination of the environment by sewage and sullage constituted a major threat to health. The Agency sought to plan and implement projects in close coordination with concerned municipalities as well as with the Palestinian Authority Directorate of Environmental Planning and PECDAR to avoid conflicting or incompatible priorities, duplication of effort and waste of resources. By the close of the reporting period, funding had been received for three major environmental health projects in the Gaza Strip which would be implemented through bilateral cooperation between donors and the Palestinian Authority, with UNRWA providing technical assistance as and when required. Within that framework, work continued on a sewerage scheme for Rafah camp and municipality, for which UNRWA had prepared feasibility studies and preliminary designs. As part of a project for storm water drainage and limited sewerage works in Jabalia camp and municipality, UNRWA worked with the donor to finalize a project document based on feasibility studies and conceptual designs prepared by the Agency. The Agency was also developing a sewerage and storm-water drainage master plan for an area comprising about 60 per cent of Gaza municipality, including the preparation of feasibility studies and preliminary and detailed designs for sewers, pumping stations, storm drains and related streets and the upgrading of the Sheikh Radwan reservoir. In connection with that project, the Agency carried out cleaning, maintenance and repair on municipal sewers and storm drains, procured $2.8 million in equipment for the municipality, including sanitation vehicles and vacuum pumps, and provided technical assistance and training to the municipality.

188. Significant progress was achieved in the comprehensive environmental health initiative in Beach camp, which included improvements in sewerage, storm drainage and solid waste management following plans developed in 1993 in coordination with Gaza municipality. In September 1995, construction of internal sewerage, storm drainage and road works serving approximately 5 per cent of the camp which was prone to serious flooding was completed, in addition to a coastal gravity trunk sewer to prevent raw sewage from the camp and the northern third of Gaza municipality from being discarded into the sea.

A new sewage pumping station was completed and one of the two existing stations was upgraded, with upgrading of the second under way. At the close of the reporting period, work was in progress on construction of a sewerage and drainage network to serve 20,000 residents in the eastern part of the camp, and on rehabilitation of the existing Gaza municipal sewage treatment plant.

189. Detailed designs for sewerage and drainage works in the middle camps of Bureij, Maghazi and Nuseirat were completed and updated to accommodate a proposed regional planning scheme whereby sewage from the central area of the Gaza Strip would be directed to a single sewage treatment plant. With respect to Deir el-Balah, detailed in-house technical designs were completed for an open drainage channel and main sewer pressure line, and were in progress for a municipal sewerage and drainage system. Construction of a sewage pumping station and related facilities to serve the camp and municipality was under way. The Agency's solid waste disposal services in the Gaza Strip were enhanced through the acquisition of 550 refuse containers and 13 truck bodies for refuse collection vehicles.

190. Improvements in the health system infrastructure in Gaza included construction of a new health centre at Khan Younis and installation of a new dental unit at Rafah health centre. The Beit Hanoun community provided premises free of charge for the local mother and child health clinic, pending construction of a new health centre.

C. Relief and social services

191. The refugee population registered with UNRWA in the Gaza Strip had the highest growth rate of any field, expanding by 4.9 per cent from 683,560 at 30 June 1995 to 716,930 at 30 June 1996. The increase could be attributed to the high rate of natural population growth as well as the continuing influx of refugees from abroad in connection with the establishment of the Palestinian Authority, and the attendant transfer of registration records. In July and August 1995, families in 45 refugee households returned from Canada camp in the Sinai peninsula to the Gaza Strip in accordance with agreements between the concerned authorities. Originally established for refugees relocated from Rafah camp, Canada camp had been separated from Rafah with the restoration of the Israeli-Egyptian border in 1982. The families returned to housing constructed in Rafah with special contributions channelled through UNRWA, and would continue to receive welfare assistance from the Agency for a six-month settling-in period.

192. The number of special hardship cases in the Gaza Strip rose from 59,489 at 30 June 1995 to 59,692 one year later, representing 8.3 per cent of the registered refugee population in the field. That proportion, surpassed only in Lebanon, was indicative of the poor state of the local economy and the severe restrictions on remunerative activity arising from ongoing Israeli security restrictions. The stringent closure of the Gaza Strip beginning in February 1996 exacerbated unemployment, stifled economic activity and sapped purchasing power, leading in March 1996 to urgent calls for the Agency to undertake food distribution. In response, the Agency was able to provide small monthly allocations of commodities and cash to families in extreme need, including non-special hardship cases, but funds were not available for emergency assistance on a broader scale. Housing needs among the refugee population within the Agency's area of operations were greatest in the Gaza Strip, where over 40 per cent of special hardship cases and a large percentage of other refugee families were living in unsatisfactory conditions. With special

contributions, the Agency was able to rehabilitate 792 shelters during the period under review, and was actively seeking funds for another round of interventions. The Agency also cooperated with the Palestinian Authority by verifying the refugee status of named occupants of housing in refugee camps, providing lists of families whose homes had been demolished by the Israeli authorities, and rebuilding the demolished shelters of special hardship families referred by the Palestinian Authority.

193. Under the poverty alleviation programme, the Agency financed eight projects at youth activity centres and community rehabilitation centres designed to create income-earning opportunities for members and revenue for the centres' recurrent costs, including a computer training unit at the Rafah youth activity centre. No new mini-loans were awarded during the period under review, but repayments from previous loans allowed the programme to replenish its capital base.

194. In the context of the five-year plan for community management of Agency-sponsored community centres, the Agency continued its efforts to establish managing committees and general assemblies for each centre. Of the 10 women's programme centres in the Gaza Strip, 8 had established full-fledged committees and were working to draft by-laws, and another 2 were in the process of setting up committees at the close of the reporting period. Open meetings to discuss new institutional arrangements in the centres were typically attended by several hundred women from the camp and surrounding community. The centres adopted creative approaches to enhance financial sustainability, generating income by renting premises for community activities, running food and clothing production units, operating an embroidery shop in Gaza town and charging fees for nursery services. Fees covered the cost of skills-training courses offered at the centres, including in the English language, food-processing and small appliance repair and maintenance, in addition to more traditional subjects. The Palestinian Authority offered a series of lectures at the Khan Younis women's programme centre on the formation of income-generating cooperatives. The libraries at the Khan Younis, Maghazi and Nuseirat centres attracted a growing number of fee-paying borrowers. In the months leading up to the Palestinian elections in January 1996, the women's programme centres were actively involved in a civic education campaign facilitated by local and international non-governmental organizations, with post-election workshops sustaining the level of interest. Other courses and workshops offered at the centres covered legal issues, domestic violence and the importance of literacy. New or reconstructed facilities financed under the Peace Implementation Programme at 10 women's programme centres included a sports hall at Deir el-Balah for use by men and women and nurseries at Beit Hanoun, Deir el-Balah, Jabalia and Nuseirat.

195. With all six community rehabilitation centres in the Gaza Strip already managed by local committees, institution-building efforts focused on training for committee members and Agency staff in the technical development of rehabilitation programmes and self-management skills. Rehabilitation workers took advantage of local training initiatives to improve skills in areas such as early intervention techniques, production of teaching materials, the Palestinian sign language, teaching the hearing-impaired, and reading and writing in Braille. Representatives of the Jabalia and Rafah community rehabilitation centres took part in a workshop on accessibility for the handicapped in Gaza's physical environment. To help the centres diversify their funding sources, committee members were taught how to develop project proposals for donors. The community rehabilitation committees met with the local society for the rehabilitation of the disabled in October 1995 to develop a coordinated approach for the Gaza Strip. In coordination with the Palestinian Authority and local

non-governmental organizations, the Agency assisted in the establishment of a General Union of Disabled Persons in the Gaza Strip in December 1995. New buildings were added to the Jabalia and Rafah community rehabilitation centres.

196. Work was progressing on a specially funded project to construct two new buildings to house the Rehabilitation Centre for the Visually Impaired (RCVI). The buildings would contain facilities, such as an auditorium, a special mobility exercise area, an outdoor theatre and two shops, to enhance services and help the Centre to raise funds. The specially funded project, expected to be completed in September 1996, would replace the Centre's two old buildings. The Society of Friends of RCVI was working with the Agency to turn the Centre into a viable independent non-profit organization over the next five years. During the reporting period, the Society took charge of the Centre's pre-school programme and home outreach service, and assumed responsibility for hiring new staff. The ongoing activities of the Centre included vocational training, production of knitted goods and small items for household use, elementary school classes serving some 180 pupils, mainstreaming services, Braille courses, summer camps and a music band.

197. The eight youth activity centres in the Gaza Strip, all of which were managed by elected administrative committees, continued to receive support from UNRWA as they made the transition towards self-sustainability. With UNRWA's help, the role of the Union of Youth Activity Centres in strengthening internal coordination and external representation of the centres was intensified during the reporting period. Together with the Palestinian Authority and Agency staff, the union formed a sub-committee in January 1996 to assist youth activity centres to solicit funds directly from donors. Agency support was required primarily for non-recurrent expenditure on expansion of and improvements to the centres, including the establishment of additional income-generating enterprises to ensure future financial sustainability. The centres were able to cover recurrent costs from membership fees, admission charges for sports events, income-generating enterprises including canteens, local fund-raising and modest subsidies from UNRWA and the Palestinian Authority. The centres opened their premises and membership to young women, who had been elected to committees at three centres by the end of the reporting period. Centre-sponsored activities included sports, cultural and social events, community service, summer camps and other recreation for younger children.

198. In conjunction with the Palestinian Authority and local sports and youth clubs, the Agency embarked in October 1995 on an after-school recreation programme for schoolchildren with funds received under the Peace Implementation Programme. The programme aimed at rectifying the dearth of supervised extracurricular activities in Gaza, which had left children with little alternative outside school hours but to play in the streets or be confined to the home. The programme aimed to provide about 30 hours per week of safe and properly supervised after-school sports, cultural and other recreational activities for a 17-month period. After a pilot phase conducted in eight UNRWA schools in the Rafah area, the programme was expanded to 70 UNRWA and Palestinian Authority schools throughout the Gaza Strip, benefiting over 10,000 boys and girls and creating 220 project-funded jobs for sports and cultural facilitators and support staff. To provide for future sustainability and ensure the ready acceptance of parents, a community-based approach was adopted and the participation of volunteers was made a key element of the programme.

ANNEX I

Statistical and financial information

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Table 1. Number of registered persons a/

(as at 30 June each year)

Field	1950	1960	1965	1970	1975	1980	1985	1990	1995	1996
Lebanon	127 600	136 561	159 810	175 958	196 855	226 554	263 599	302 049	346 164	352 668
Syrian Arab Republic	82 194	115 043	135 971	158 717	184 042	209 362	244 626	280 731	337 308	347 391
Jordan	506 200	613 743	688 089	506 038	625 858	716 372	799 724	929 097	1 288 197	1 358 706
West Bank b/	-	-	-	272 692	292 922	324 035	357 704	414 298	517 412	532 438
Gaza Strip	198 227	255 542	296 953	311 814	333 031	367 995	427 892	496 339	683 560	716 930
Total	914 221 c/	1 120 889	1 280 823	1 425 219	1 632 707	1 844 318	2 093 545	2 422 514	3 172 641	3 308 133

a/ Figures are based on UNRWA registration records, which are updated continually. However, the number of registered refugees present in the Agency's area of operations is almost certainly less than the population recorded. The Agency's budgeted expenditure is based not on the registration records but on the projected numbers of beneficiaries of its services.

b/ Until 1967, the West Bank of Jordan was administered as an integral part of the Jordan field.

c/ Excludes 45,800 persons receiving relief in Israel, who were the responsibility of UNRWA until June 1952.

Table 2. Distribution of registered population

(as at 30 June 1996)

Field	Registered population	Number of camps	Total camp population	Registered persons not in camps	Percentage of population not in camps
Lebanon	352 668	12	192 052	160 616	45.54
Syrian Arab Republic	347 391	10	101 027	246 364	70.92
Jordan	1 358 706	10	258 204	1 100 502	81.00
West Bank	532 438	19	148 105	384 333	72.18
Gaza Strip	716 930	8	395 987	320 943	44.77
Total	3 308 133	59	1 095 375	2 212 758	66.89

Table 3. Number and distribution of special hardship cases

(as at 30 June 1996)

Field	Number of families	Number of persons			Percentage of refugee population
		Receiving rations	Not receiving rations a/	Total	
Lebanon	9 101	32 646	2 736	35 382	10.03
Syrian Arab Republic	6 739	20 425	949	21 374	6.15
Jordan	8 597	32 485	1 850	34 335	2.53
West Bank	8 309	27 281	1 114	28 395	5.33
Gaza Strip	13 117	57 060	2 632	59 692	8.33
Total	45 863	169 897	9 281	179 178	5.42

a/ Includes children under one year of age, students studying away from home, etc.

Table 4. Social services programme

(1 July 1995-30 June 1996)

Field	Women's programme		Youth activities		Support for disabled persons: Community-based rehabilitation			Specialized facilities	Poverty alleviation: Grant-based projects		Loan-based projects		Group-guaranteed lending schemes		Skills training and production units d/	
	Centres	Participants	Centres	Participants	Centres/ programmes	Participants b/: Centre activities	Participants b/: Outreach activities	Referrals	No.	$	No.	$	Participants	$	No.	Participants
Lebanon	11	1 120	-	-	2	110	475	77	21	78 877	13	79 000	-	-	6	30
Syrian Arab Republic	13	1 500	-	-	5	215	207	1	3	5 676	12	27 000	433	35 800	4	20
Jordan	21	3 570	-	-	8	450	500	150	19	58 912	32	231 638	32	12 000	4	40
West Bank	13	1 795	19	5 699	9	772	462	379	-	-	7	44 298	-	-	-	632
Gaza Strip	10 a/	2 800	8	5 100	6	304	432	340 c/	9	49 588	-	-	-	-	1	500
Total	68	10 785	27	10 799	30	1 851	2 076	947	52	193 053	64	381 936	465	47 800	15	1 222

a/ Compared to 14 in the preceding reporting period as a result of consolidation of units into new, larger premises.

b/ Includes disabled persons assisted through home-based activities, mainstreaming into educational and special vocational training programmes, job placement, self-support projects, prosthetic devices and other aids, and cash assistance.

c/ Includes 180 pupils enrolled in courses at the UNRWA Rehabilitation Centre for the Visually Impaired.

d/ Includes enterprises associated with women's programme centres, community rehabilitation centres and, in the West Bank, three carpentry centres.

Table 5. Distribution of refugee pupils receiving education in UNRWA schools a/

(as at October 1995)

Field	Number of UNRWA schools	Number of teachers	Number of pupils in elementary classes b/			Number of pupils in preparatory classes b/			Number of pupils in secondary classes			Total number of pupils
			Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	
Lebanon	74	1 240	12 641	12 284	24 925	5 378	5 930	11 308	113	152	265	36 498
Syrian Arab Republic	110	1 683	21 982	20 728	42 710	10 040	9 296	19 336	-	-	-	62 046
Jordan	198	4 326	46 298	45 406	91 704	28 989	27 311	56 300	-	-	-	148 004
West Bank	100	1 501	14 896	18 004	32 900	5 515	7 397	12 912	-	-	-	45 812
Gaza Strip	155	3 507	49 732	46 669	96 401	17 143	15 950	33 093	-	-	-	129 494
Total	637 c/	12 257	145 549	143 091	288 640	67 065	65 884	132 949	113	152	265	421 854

a/ Excluding an estimated 167,387 refugee pupils attending elementary, preparatory and secondary government and private schools.

b/ Including 30,651 non-eligible children attending UNRWA schools.

c/ Refers to the number of administrative schools, which exceeds the number of school buildings owing to use of double shifts. The total number of administrative schools declined from 644 in the previous reporting period as a result of consolidation of administrative schools with the construction of new premises.

Table 6 Training places in UNRWA training centres a/

(1995/96 academic year)

	Lebanon		Syrian Arab Republic		Jordan				West Bank						Gaza Strip		Total		
	Siblin Training Centre		Damascus Vocational Training Centre		Amman Training Centre		Wadi Seer Training Centre		Kalandia Training Centre		Ramallah Women's Training Centre		Ramallah Men's Training Centre		Gaza Training Centre				
Total	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	Grand total
A. Vocational and technical education																			
1. Post-preparatory level b/	310	38	520	-	-	60	572	-	416	-	-	156	-	-	608	-	2 426	254	2 680
2. Post-secondary level c/	145	115	147	133	81	263	199	49	96	-	-	408	184	-	73	51	925	1 019	1 944
Total	455	153	667	133	81	323	771	49	512	-	-	564	184	-	681	51	3 351	1 273	4 624
B. Teacher Training (Educational Sciences Faculty)																			
1. Pre-service	-	-	-	-	75	150	-	-	-	-	-	300	300	-	-	-	375	450	825
2. In-service	-	-	-	-	300	330	-	-	-	-	-	-	-	-	-	-	300	330	630
Total	-	-	-	-	375	480	-	-	-	-	-	300	300	-	-	-	675	780	1 455
Grand total	455	153	667	133	456	803	771	49	512	-	-	864	484	-	681	51	4 026	2 053	6 079

a/ The number of students actually enrolled may differ from the number of training places offered depending on the rate of student withdrawal from courses.

b/ Courses include a variety of mechanical, electrical, metalworking and building trades.

c/ Courses include a variety of technical, paramedical and commercial skills.

Table 7. University scholarship holders by faculty, country of study and gender

(1995/96 academic year)

Course of study	Country of study														Grand total
	Gaza Strip		Lebanon		Syrian Arab Republic		Jordan		West Bank		Others a/		Total		
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Agriculture	1	-	-	1	-	-	-	-	-	-	-	-	1	1	2
Arts	2	8	-	4	1	6	-	11	-	14	-	-	3	43	46
Business administration	-	-	3	1	-	-	1	-	-	1	-	-	4	2	6
Commerce	-	1	-	-	-	-	-	-	-	3	-	-	-	4	4
Computer science	-	-	-	-	-	-	1	-	-	1	-	-	1	1	2
Dentistry	-	-	-	-	41	16	21	18	-	-	2	-	64	34	98
Economics	-	-	-	-	-	-	1	1	-	4	-	-	1	5	6
Education	2	17	-	-	-	-	-	1	-	-	-	-	2	18	20
Engineering	8	4	22	2	15	12	64	39	30	32	11	1	150	90	240
Fine arts	-	-	-	1	-	-	-	-	-	-	-	1	-	2	2
Law	-	1	-	1	1	1	-	-	-	-	-	-	1	3	4
Medical laboratory	-	-	1	-	-	-	-	-	1	4	-	-	2	4	6
Medicine	1	2	3	3	87	35	22	11	5	8	23	4	141	63	204
Nursing	1	-	-	-	-	-	2	2	-	2	-	-	3	4	7
Pharmacology	20	68	4	1	13	21	64	23	6	9	-	2	107	124	231
Physical education	-	-	-	-	-	-	1	-	-	-	-	-	1	-	1
Political science and public administration	-	-	-	1	-	-	-	-	-	-	-	-	-	1	1
Public relations	-	-	1	-	-	-	-	-	-	-	-	-	1	-	1
Science	2	7	10	9	-	-	2	12	7	9	2	-	23	37	60
Shari'a	1	1	-	-	-	-	-	-	-	-	-	-	1	1	2
Total	38	109	44	24	158	91	179	118	49	87	38	8	506	437	943

a/ Other countries were: Turkey (20 male students and one female), Iraq (11 males and four females), Libyan Arab Jamahiriya (three males), Sudan (two males and one female), Egypt (one male and one female), Morocco (one female) and Yemen (one male).

Table 8. Medical care services

(1 July 1995-30 June 1996)

	Type of service	Lebanon	Syrian Arab Republic	Jordan	West Bank	Gaza Strip	Total
1.	Out-patient care						
	Health units a/	25	22	23	34	19	123
	Health units with laboratories	15	18	23	19	11	86
	Health units offering:						
	Dental care	17	12	20	17	12	78
	Family planning	25	22	23	33	17	120
	Special care	24	22	17	34	11	108
	Specialist services	15	13	13	17	11	69
	Patient visits:						
	Medical treatment b/	645 625	696 391	1 452 785	955 658	2 382 566	6 133 025
	Dental treatment	79 373	69 691	156 244	39 127	101 996	446 431
2.	In-patient (hospital) care c/						
	Number of patients admitted	9 139	3 977	10 493	10 525	6 993	41 127
	Number of patient days	34 089	10 605	38 923	45 653	19 117	148 387
3.	Maternal and child health care						
	Pregnant women newly registered	4 740	8 008	22 044	11 629	27 177	73 598
	Infants under age 1 newly registered	4 827	8 427	28 742	12 312	26 741	81 049
	Children 0-3 years of age under supervision	13 199	19 825	69 413	34 244	68 469	205 150
	New family-planning acceptors	2 561	2 662	7 206	3 790	7 976	24 195
	Total family-planning acceptors d/	4 078	6 005	9 411	5 690	16 251	41 435
4.	Expanded programme of immunization						
	Number of infants who received full primary series:						
	Triple (DPT) vaccine	4 567	8 077	25 602	12 397	26 930	77 653
	Polio vaccine	4 571	8 086	25 511	12 455	27 143	77 766
	BCG vaccine	4 705	7 342	27 769	12 488	26 464	78 768
	Measles vaccine	4 672	8 873	25 278	13 287	27 986	80 096
5.	School health						
	Number of school entrants examined	4 888	7 310	13 226	5 119	19 933	50 476
	Number of booster vaccinations	12 543	24 175	42 445	24 471	72 779	176 413

a/ Comprising 87 health centres providing a full range of preventive, curative and community health care; 23 health points providing those same services on a part-time basis; and 13 mother and child health clinics providing preventive care only.

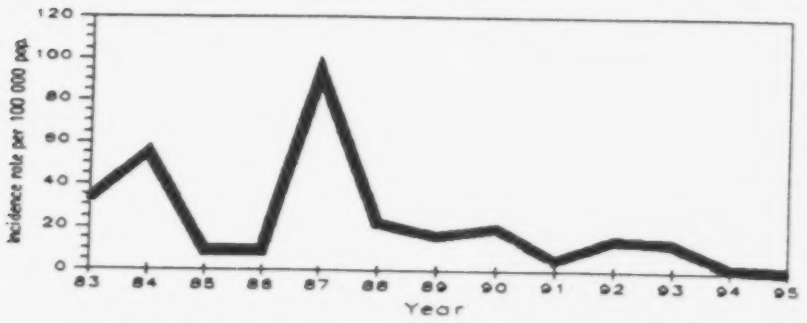
b/ Including visits for medical consultations, injections and dressings.

c/ With the exception of a 43-bed hospital run by UNRWA in Qalqilia in the West Bank, hospital services are provided through contractual agreements with NGO and private hospitals or through partial reimbursement of costs of treatment.

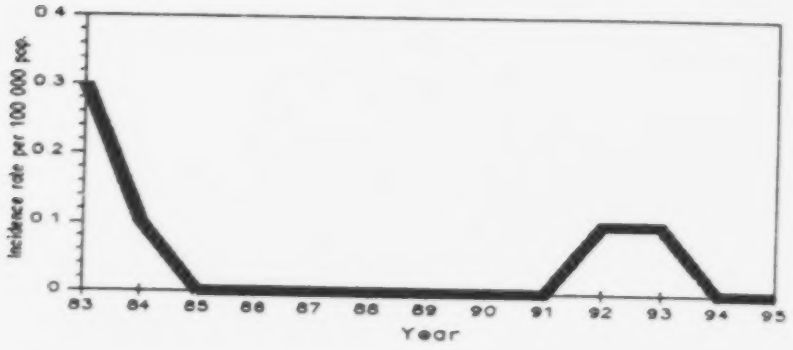
d/ Over the life of the programme.

Table 9. **Trends in incidence of selected communicable diseases**

MEASLES



POLIOMYELITIS



TUBERCULOSIS

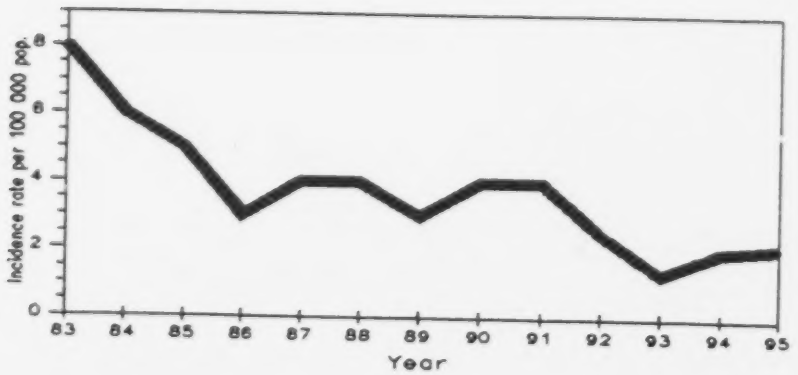


Table 10. Staff members arrested and detained

(1 July 1995-30 June 1996)

	Gaza Strip	West Bank	Jordan	Syrian Arab Republic	Lebanon	Total
Arrested and released without charge or trial	77	5 a/	1	-	1	84
Charged, tried and sentenced	-	-	-	-	-	-
Still in detention	16	11 b/	-	-	-	27
Total	93 c/	16	1	-	1	111

a/ Including one staff member detained by the Israeli authorities.

b/ Including two staff members detained by the Israeli authorities.

c/ Detained by the Palestinian Authority.

Table 11. Contributions in cash and in kind by Governments and by the European Community

(1 January 1994-31 December 1995)

(actual receipts, United States dollars)

Contributor	Total contributions 1994	1995			
		Regular budget a/	Projects b/	EMLOT	Total
Australia	3 610 045	2 089 950	-	-	2 089 950
Austria	503 235	509 278	-	-	509 278
Bahrain	15 000	15 000	-	-	15 000
Belgium	2 725 324	899 373	1 867 458	540 200	3 307 031
Brazil	-	50 000	-	-	50 000
Canada	10 755 546	8 148 117	884 391	-	9 032 508
China	392 129	60 000	-	-	60 000
Colombia	2 500	2 500	-	-	2 500
Cyprus	2 156	2 310	-	-	2 310
Czech Republic	20 000	20 000	-	-	20 000
Denmark	10 254 121	6 886 107	106 171	1 058 882	8 051 160
Egypt	5 935	5 935	-	-	5 935
Finland	1 945 735	1 648 261	-	-	1 648 261
France	3 923 522	1 354 069	100 000	974 550	2 428 619
Germany	7 949 676	8 314 990	2 574 547	-	10 889 537
Greece	100 000	100 000	-	100 000	200 000
Holy See	20 000	20 000	-	-	20 000
Iceland	15 700	-	-	-	-
India	7 125	7 237	-	-	7 237
Indonesia	25 000	25 000	-	-	25 000
Iran (Islamic Republic of)	30 000	26 386	-	-	26 386
Ireland	717 022	688 754	245 434	-	934 188
Israel	95 399	77 705	-	-	77 705
Italy	10 472 366	7 142 857	310 559	-	7 453 416
Japan	41 083 861	18 674 705	9 188 468	1 974 036	29 837 209
Jordan	81 763	69 863	-	-	69 863
Kuwait	2 500 000	3 000 000	-	-	3 000 000
Lebanon	121	347 298	-	-	347 298
Luxemborg	1 043 842	49 747	-	-	49 747
Malaysia	10 000	10 000	-	-	10 000
Maldives	1 000	1 000	-	-	1 000
Malta	-	3 000	-	-	3 000
Mexico	3 000	3 000	-	-	3 000
Monaco	5 194	6 984	-	-	6 984
Morocco	1 051 747	-	-	242 520	242 520
Netherlands	9 956 270	5 731 632	3 176 060	7 323 165	16 230 857
New Zealand	292 049	136 771	-	-	136 771
Norway	11 408 402	11 007 842	4 486 955	-	15 494 797
Oman	25 000	25 000	-	-	25 000
Pakistan	15 618	17 595	-	-	17 595
Palestine	222 607	-	-	-	-
Panama	500	500	-	-	500
Philippines	2 909	4 000	-	-	4 000
Portugal	50 000	25 000	30 000	-	55 000
Republic of Korea	10 000	30 000	-	-	30 000
Saudi Arabia	1 200 000	1 200 000	6 726 283	-	7 926 283
Spain	2 183 726	3 332 023	-	-	3 332 023
Sri Lanka	-	2 000	-	-	2 000
Sweden	20 472 447	20 274 099	2 320 127	-	22 594 226
Switzerland	8 849 822	6 895 296	685 000	-	7 580 296
Syrian Arab Republic	42 655	118 475	-	-	118 475
Thailand	14 266	14 625	-	-	14 625
Trinidad and Tobago	-	503	-	-	503
Tunisia	12 121	593 464	-	-	593 464
Turkey	100 000	-	-	-	-

Contributor	Total contributions 1994	1995			
		Regular budget a/	Projects b/	EMLOT	Total
United Kingdom of Great Britain and Northern Ireland	9 016 314	9 655 869	1 057 706	-	10 713 575
United States of America	81 322 391	70 100 000	10 576 894	-	80 676 894
Venezuela	-	3 529	-	-	3 529
Subtotal	243 565 161	189 427 649	44 336 053	12 213 353	245 977 055
European Community	97 992 987	56 020 139	12 848 783	2 062 767	70 931 689
Grand total	341 558 148	245 447 788	57 184 836	14 276 120	316 908 744

a/ Comprising the General Fund, funded ongoing activities, and capital and special projects.

b/ Comprising the Peace Implementation Programme, expanded programme of assistance, European Gaza Hospital project, and move of Agency headquarters to the area of operations.

Table 12. Expenditure for 1994-1995 and operating budget for 1996-1997 for the regular programmes of UNRWA

(Millions of United States dollars)

Description	Adjusted actual expenditure 1994-1995	Operating budget		Total 1996-1997 operating budget
		1996	1997	
Education	277.7	159.1	167.1	326.2
Health	102.6	60.0	61.3	121.3
Relief and social services	59.4	36.6	38.0	74.6
Operational services a/	40.4	24.9	25.2	50.1
Common services b/	66.5	46.9	47.5	94.4
Other costs c/	-	12.7	12.7	25.4
Total	546.6 d/	340.2	351.8	692.0

a/ Includes supply and transport services and architectural and engineering services that support all Agency programmes.

b/ Includes common management and administrative services that support all Agency programmes, as well as various reserves - including equipment, temporary assistance, and field and headquarters operational reserves - to be allocated to programmes during the biennium.

c/ The amounts listed for 1996 and 1997 represent funds set aside for the eventual payment of termination indemnities to Agency staff.

d/ Includes $7.5 million in expenditure made in 1994-1995 against regular budget projects originating during the biennium or in previous years' budgets.

Table 13 UNRWA in figures

(as at June 1996)

	Lebanon	Syrian Arab Republic	Jordan	Gaza Strip	West Bank	Headquarters: Amman	Headquarters: Vienna/ Gaza	Average/ total
Country area (sq km)	10 452	185 180	91 860	360	5 500			293 352
Country population (CP)	3 400 000	14 618 393	4 139 458	963 000	1 571 575			24 692 426
Registered refugees (RR)	352 668	347 391	1 358 706	716 930	532 438			3 308 133
RR growth (%) (1995/96)	1.9	3.0	5.5	4.9	2.9			4.3
RR as % of CP	10.4	2.4	32.8	74.4	33.9			13.4
RR as % of total RR	10.7	10.5	41.1	21.7	16.1			100.0
Existing camps	12	10	10	8	19			59
RR in camps (RRCs)	192 052	101 027	258 204	395 987	148 105			1 095 375
RRCs as % of RR	54.5	29.1	19.0	55.2	27.8			33.1
Schools	74	110	198	155	100			637
Pupils (1995/96 enrolment)	36 498	62 046	148 004	129 494	45 812			421 854
Female pupils (%)	50.3	48.4	49.1	49.4	55.5			49.6
Cost per elementary pupil ($) (1995/96)	386	178	292	271	372			300
Cost per preparatory pupil ($) (1995/96)	512	256	348	484	501			420
Vocational and technical training centres	1	1	2	1	3			8
Vocational and technical training places (1995/96)	608	800	1 224	732	1 260			4 624
Educational Sciences Faculty training places (1995/96)	-	-	855	-	600			1 455
In-service teacher trainees (1995/96)	98	108	175	164	106			651
University scholarships awarded (1995/96)	77	240	246	231	149			943
Total education posts	1 538	2 063	4 965	4 133	2 093	71		14 863
Health units	25	22	23	19	34			123
Offering dental care	17	12	20	12	17			78
Offering family planning	25	22	23	17	33			120
Offering special care	24	22	17	11	34			108
Offering specialist services	15	13	13	11	17			69
With laboratories	15	18	23	11	19			86

	Lebanon	Syrian Arab Republic	Jordan	Gaza Strip	West Bank	Headquarters: Amman	Headquarters: Vienna/ Gaza	Average/ total
Annual patient visits (1995/96)	724 998	766 082	1 609 029	2 484 562	994 785			6 579 456
Indoor water supply in camps (%)	95	100	100	100	99			99
Sewered shelters in camps (%)	71	85	72	31	63			61
Total health posts	542	425	811	922	662	24		3 386
Special hardship cases (SHCs)	35 382	21 374	34 335	59 692	28 395			179 178
SHCs as % of RR	10.0	6.2	2.5	8.3	5.3			5.4
Women's programme centres	11	13	21	10	13			68
Community rehabilitation centres	2	5	8	6	9			30
Youth activity centres	-	-	-	8	19			27
Total relief and social services posts	95	82	146	268	137	21		749
Income-generation loans (number)	100	-	127	2 216	102			2 545
Income-generation loans ($) a/	597 690	-	839 002	8 288 597	1 333 060			11 040 309
Total area posts	2 530	2 824	6 197	5 901	3 373	199	144	21 168
Total international posts	8	8	7	15	21	25	47	134
Operating budget, 1996 b/								
Education	17.53	13.58	49.94	42.27	24.44	2.56	8.79	159.11
Health	8.69	5.23	11.55	16.63	13.80	1.53	2.51	59.95
Relief and social services	6.88	3.95	6.11	12.15	6.34	.80	.35	36.57
Operational services	3.35	2.64	3.80	6.46	4.57	3.18	.92	24.92
Common services	3.50	1.91	2.92	4.20	4.59	2.50	27.33	46.94
Total	39.94	27.32	74.32	81.71	53.74	10.57	39.89	340.18 c/
Peace Implementation Programme								
Number of projects	35	33	57	96	55			276
Pledges and contributions a/	17 127 960	7 195 629	8 810 520	116 843 580	42 620 541			192 598 230
Unemployment % (est.)	40.0	8.4	18.8	50-60	30-40			
Illiteracy % (age 16-60) (est.) d/	M8, F19	M6, F16	M7, F17	M15, F29	M16, F26			
Infant mortality/1,000 (est.)	30-40	30-40	30-40	44	34			

(Footnotes on following page)

(Footnotes to table 13)

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a/ United States dollars.

b/ Millions of United States dollars.

c/ Includes a $12.7 million provision towards payment of termination indemnities.

d/ M = male; F = female.

ANNEX II

Pertinent records of the General Assembly and other United Nations bodies

1. General Assembly resolutions

Resolution number	Date of adoption	Resolution number	Date of adoption
194 (III)	11 December 1948	2963 A to F (XXVII)	13 December 1972
212 (III)	19 November 1948	2964 (XXVII)	13 December 1972
302 (IV)	8 December 1949	3089 A to E (XXVIII)	7 December 1972
393 (V)	2 December 1950	3090 (XXVIII)	7 December 1973
513 (VI)	26 January 1952	3330 (XXIX)	17 December 1974
614 (VII)	6 November 1952	3331 (XXIX) A to D	17 December 1974
720 (VIII)	27 November 1953	3419 (XXX) A to D	8 December 1975
818 (IX)	4 December 1954	31/15 A to E	23 November 1976
916 (X)	3 December 1955	32/90 A to F	13 December 1977
1018 (XI)	28 February 1957	33/112 A to F	18 December 1978
1191 (XII)	12 December 1957	34/52 A to F	23 November 1979
1315 (XIII)	12 December 1958	35/13 A to F	3 November 1980
1456 (XIV)	9 December 1959	36/146 A to H	16 December 1981
1604 (XV)	21 April 1961	37/120 A to K	16 December 1982
1725 (XVI)	20 December 1961	38/83 A to K	15 December 1983
1856 (XVII)	20 December 1962	39/99 A to K	14 December 1984
1912 (XVIII)	3 December 1963	40/165 A to K	16 December 1985
2002 (XIX)	10 February 1965	41/69 A to K	3 December 1986
2052 (XX)	15 December 1965	42/69 A to K	2 December 1987
2154 (XXI)	17 November 1966	43/57 A to J	6 December 1988
2252 (ES-V)	4 July 1967	44/47 A to K	8 December 1989
2341 (XXII) A and B	19 December 1967	45/73 A to K	11 December 1990
2452 (XXIII) A to C	19 December 1968	46/46 A to K	9 December 1991
2535 (XXIV) A to C	10 December 1969	47/69 A to K	14 December 1992
2656 (XXV)	7 December 1970	48/40 A to J	10 December 1993
2672 (XXV) A to D	8 December 1970	49/21 B	2 December 1994
2728 (XXV)	15 December 1970	49/35 A to G	9 December 1994
2791 (XXVI)	6 December 1971	49/21 O	13 April 1995
2792 A to E (XXVI)	6 December 1971	50/28 A to G	6 December 1995

2. General Assembly decisions

Decision	Date of adoption
36/462	16 March 1982
48/417	10 December 1993

3. Reports of the Commissioner-General of UNRWA

1992: Official Records of the General Assembly, Forty-seventh Session, Supplement No. 13 (A/47/13)

1993: Ibid., Forty-eighth Session, Supplement No. 13 (A/48/13 and Add.1)

1994: Ibid., Forty-ninth Session, Supplement No. 13 (A/49/13)

1995: Ibid., Fiftieth Session, Supplement No. 13 (A/50/13 and Add.1)

4. Audited financial statements

1992: Official Records of the General Assembly, Forty-seventh Session, Supplement No. 5C (A/47/5/Add.3)

1994: Ibid., Forty-ninth Session, Supplement No. 5C (A/49/5/Add.3)

5. Reports of the United Nations Conciliation Commission for Palestine

1992: A/47/413

1993: A/48/474

1994: A/49/509

1995: A/50/500

6. Reports of the Working Group on the Financing of UNRWA

1992: A/47/576

1993: A/48/554

1994: A/49/570

1995: A/50/491

7. Reports of the Secretary-General

1992: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 46/46 D to K of 9 December 1991, respectively:

A/47/488 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/47/489 (Palestine refugees in the Palestinian territory occupied by Israel since 1967)

A/47/490 (Resumption of ration distribution to Palestine refugees)

A/47/491 (Return of population and refugees displaced since 1967)

A/47/438 (Revenues derived from Palestine refugees' properties)

A/47/492 (Protection of Palestine refugees)

A/47/601 (University of Jerusalem "Al-Quds" for Palestine refugees)

A/47/493 (Protection of Palestinian students and educational institutions and safeguarding of the security of the facilities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in the occupied Palestinian territory)

1993: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 47/69 D to K of 14 December 1992, respectively:

A/48/372 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/48/373 (Palestine refugees in the Palestinian territory occupied by Israel since 1967)

A/48/374 (Resumption of ration distribution to Palestine refugees)

A/48/375 (Return of population and refugees displaced since 1967)

A/48/275 (Revenues derived from Palestine refugees' properties)

A/48/376 (Protection of Palestine refugees)

A/48/431 (University of Jerusalem "Al-Quds" for Palestine refugees)

A/48/377 (Protection of Palestinian students and educational institutions and safeguarding of the security of the facilities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in the occupied Palestinian territory)

1994: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 48/40 D to J of 10 December 1993, respectively:

A/49/439 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/49/440 (Palestine refugees in the Palestinian territory occupied by Israel since 1967)

A/49/441 (Return of population and refugees displaced since 1967)

A/49/488 (Revenues derived from Palestine refugees' properties)

A/49/442 (Protection of Palestine refugees)

A/49/505 (University of Jerusalem "Al-Quds" for Palestine refugees)

A/49/443 (Protection of Palestinian students and educational institutions and safeguarding of the security of the facilities of the United Nations Relief and Works Agency for Palestine Refugees in the Near East in the occupied Palestinian territories)

1995: Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 49/21 B of 2 December 1994 and 49/21 O of 13 April 1995, respectively:

A/49/885 (Financing of the Palestinian Police Force)

A/50/763 (Financing of the Palestinian Police Force)

Reports of the Secretary-General submitted in pursuance of General Assembly resolutions 49/35 C, D, F and G of 9 December 1994, respectively:

A/50/451 (Persons displaced as a result of the June 1967 and subsequent hostilities)

A/50/450 (Offers by Member States of grants and scholarships for higher education, including vocational training, for Palestine refugees)

A/50/428 (Revenues derived from Palestine refugees' properties)

A/50/531 (University of Jerusalem "Al-Quds" for Palestine refugees)